DOCUMENT RESUME

ED 194 247 RC 012 310

TITLE A Dialogue on the Structure of American Agriculture: Summary of Regional Meetings, November 27-December 18, 1979.
INSTITUTION Department of Agriculture, Washington, D.C.
PUB DATE Apr 80
NOTE 119p.

EDRS PRICE MF01/PC05 Plus Postage.
DESCRIPTORS Agribusiness: *Agricultural Trends; *Agriculture; Conservation (Environment); Consumer Economics; Economic Factors; Energy; Environmental Influences; *Farmers; Farm Management; *Federal Government; Hearings; Land Use; Marketing; *Opinions; Quality of Life; *Rural Areas
IDENTIFIERS *Department of Agriculture

ABSTRACT

At the request of Secretary of Agriculture, Robert Bergland, 10 regional meetings were held in which 210 scheduled speakers and 365 unscheduled speakers commented on 12 broad areas of concern to American agriculture. These concerns were: landownership, control and tenancy; barriers to entering and leaving farming; production efficiency, size of farms, and the role of technology; Government programs; tax and credit policies; the farm input-supply system; the farm product-marketing system; present and future energy supplies; environmental concerns, including conservation and use of soil and water; returns to farmers; costs to consumers; and the quality of life in rural areas. Prior to the meetings, participants were given an explanation and discussion paper on the above concerns. At the meetings, Secretary Bergland focused the dialogue between himself, the panelists, and other speakers through a set of questions that drew on his personal concerns and his responsibilities as Secretary. The summaries included in this document reflect the issues, personal concerns, values, and beliefs presented by the public at each meeting. Separate sections are included on 2,500 mailed comments. These summaries are intended as a guide for interested persons to the concerns expressed in each region. (Author/AN)

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ED194247

A Dialogue on the
Structure of American Agriculture:

Summary of Regional Meetings

November 27 - December 18, 1979

U S DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
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RC 012810

United States Department of Agriculture

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April 1980

Introduction

In the late autumn of 1979, Secretary of Agriculture Bob Bergland conducted 10 meetings across the Nation to listen to farmers and other concerned citizens express their thoughts about the forces shaping American agriculture and the concerns they had about farming's future in this country.

People responded generously, sharing their expertise, their thoughts, their frustrations, and their hopes.

The major impact of inflation on agriculture is on land values and the cost of energy and other farm inputs. The initial response to rapidly appreciating land values was positive, as it provided an unending source of credit, even though production returns were not keeping pace. However, the rapid increase in interest rates has now left many growers in the equity-financing trap, threatening their very survival as they attempt to generate enough capital to survive debt.

—Allen Wood of Caldwell, Idaho, in Spokane, Wash., December 12, 1979

* * * * * *

One of the great issues facing agriculture today is the gathering sentiment that land really belongs to the people, and that the farmer has only a stewardship right in the asset. It is a kind of socialist mentality, and it has an adverse effect on the farmer. It leads to the belief by politicians and consumers alike that the farmer has a responsibility to provide cheap food, that the economy can't afford escalation in food costs commensurate with increases in production costs. It is essential that the consumer understand that . . . he simply will spend more of his take-home pay in the food-basket.

—J. Howard Settle of Baltimore, Md., in Fayetteville, N.C., November 28, 1979.

* * * * * *

The family farm can take care of itself. . . . We do need hands off our prices, so they can rise and fall according to supply and demand. We don't need Government intervening to give the consumer a cheap meal-ticket. . . . Food should be everyone's biggest expense. . . . I'm saying: Don't burden and harass us further with manipulation and regulations. You are helping us so much that you are killing us.

—Patricia Cook of O'Neill, Neb., in Sioux City, Iowa, December 4, 1979.

* * * * * *

SECRETARY BERGLAND: You've had a hard life, but a good life, I think. How can you stay with it?
PHYLLIS RAMBO: Well, we stayed with farming because we like farming. We like the ground. We like the dirt. We like to grow things. We like to see things grow. Then, we're our own boss. We can quit in the middle of the day, if we want to. We can work until midnight if we want to, and it's a free life and a good life. It's working hand-in-hand with our Maker.
SECRETARY BERGLAND: You're telling me there's something more to farming than growing things for market and running it as a business. Are you telling me that there are some values in farm life that are worth preserving?
MRS. RAMBO: . . . I think contentment of heart goes a long ways in lifting up the social life of our world and being happy with what you have and not reaching out and grasping for being a millionaire, and counting your blessings, living with your family and appreciating good things.

—In Huntsville, Ala., November 29, 1979 (Mrs. Cecil Rambo, of Frankfort, Ky., has farmed since 1943 and has grandchildren farming.)

* * * * * *

The controversy rages over 'big' versus 'little' without looking at one underlying principle: the right to own, hold, and operate private property. Any restriction on these rights is a direct attack on individual liberty.

—Herb Streuli of Olympia, Wash., in Spokane, Washington, December 12, 1979.

* * * * * * *

Present publicly supported agricultural programs are titled toward servicing—and thereby encouraging—the superlarge farm units. To redress this imbalance, which I recommend, would not mean what is sometimes alleged—going back to small, inefficient farms. It would simply mean removal of the large-farm bias in these programs that presently exists.

—Dr. Don Paarlberg of West Lafayette, Ind., in Lafayette, Ind., December 18, 1979. (Dr. Paarlberg served as director of agricultural economics in USDA from 1969 to 1977.)

* * * * * * *

Consumers are willing to pay the price for guaranteeing a safe, healthy food supply. We are not willing to continue to pay for the special protections given to agribusiness to prevent them from having to compete in the free-enterprise system. . . . From a consumer's standpoint, it's always been our position that the broadest number of efficient producers serves the consumers best, and that all segments of the agricultural community should be maintained to the extent that that's possible. . . . I think Government always had a valuable role to play in minimizing risk-taking for certain ventures as a public policy. I think encouraging an adequate supply of food for the country has to be one of our highest orders.

—Harry Snyder of San Francisco, Calif., in Fresno, Calif., December 13, 1979.

* * * * * * *

I have farmed all my life. I find that it is increasingly hard to make a living on the farm. Agriculture has changed. There are too many middlemen between the farmer and the consumer. The farmer's returns have decreased while his cost of operation has increased. . . . Farmers in our county live on poverty incomes compared to industrial workers who only work 40 hours a week and receive a big salary and benefits. The industrial worker only has a car and lunch bucket invested. Farming requires a big investment and receives only small net returns.

—Don Hesse of Maysville, W.Va., in a letter.

* * * * * * *

We are damn well put out. We don't have a say in anything. . . . Let's get some true farmers up there (in Washington) and get the politicians and the bureaucrats out of it as much as possible. . . . They cannot even run a post office. They cannot run a railroad. How are they going to run farms?

—Robert L. McLaurin Jr. of Dillon, S.C. in Fayetteville, November 28, 1979

* * * * * * *

Who's going to take the Government's place if the Government is out? It's not a question of the Government being in or out, but how they are in, how they are out, and who they are in for when they are in.

—The Rev. Andrew Gottschalk of Byers, Colo., in Denver, Colo., December 11, 1979.

* * * * * * *

I have probably been to every town (across Kansas) at least once. . . . When you drive into the town, it is no longer a community. There are no churches there, no schools. There might be a corner drugstore and a local beer joint or, if the town happens to be in one of those liberal areas, they might have a liquor store or a bar, but there is no community there. The reason there is not is because the people are gone, the economics are gone. The profits from farming that are always made don't go to that community. They go to the people that own the land, the machinery manufacturers, the grain trade. . . . We are subsidizing half the world with cheap food and we are really not looking at the true problems that exist in rural communities. When I say that you deal with production and not people, I mean exactly that.

—Dale Lyon of McPherson, Kan., in Sedalia, Mo., December 5, 1979.

* * * * * *

Farming is a business and . . . all businesses try to provide for economies of scale. Yet people want to say that small farming is good. Well, farming has to be big in order to be efficient, or to make money which is what they're trying to do.

—Tim Turner, in Wichita Falls, Tex., December 6, 1979.

* * * * * *

SECRETARY BERGLAND: Are (black farmers in the South) afraid to come into a Government office for help?
HARRISON MILLER: Good question. They have just never related their problem to that office. . . . It is like a hockey game and a baseball game on the same field. . . . The average age of the black farmer out there now is 55 years old, and our death rate is 60, so you don't have but five years ahead of you to help me.

—In Fayetteville, N.C., November 28, 1979. (Mr. Miller is from Columbus, Ga.)

* * * * * *

We regard chronically low farm prices and income as the primary hazard to family-type farm operators and consider them factors which aggravate all other farm problems. . . . There is very little wrong with the past, present and, I hope, future farm problems that more money to the farmer wouldn't take care of.

—Lowell E. Gose of Des Moines, Iowa, in Sioux City, Iowa, December 4, 1979.

* * * * * *

Forty-three percent of the privately owned land in this country is owned by people 60 years of age or older. Seventy percent is owned by those 50 or older. Inevitably, the next two decades will see massive amounts of our agricultural land change hands, so, if we wish to steer the structure of American agriculture in any given direction, now is very nearly our last chance. . . .
I have been farming on my own for the last 24½ years. That coincides almost exactly with the era in which the cries 'bigger is better' and 'get big or get out' have been heard across the farmlands of America. Farmers have gotten out in droves, some believing what they've been told, some trying to get bigger and failing to find salvation that way. . . . More than a century of increased efficiency and a quarter-century of increasing farm size in quest of efficiency have gotten us tractors on the Capitol Mall. . . .
As we consider the structure of our agriculture, remember that we are dealing with the shape of our democracy.

—Richard R. Wood, Jr., of Freeport, Maine, in Montpelier, Vt., November 27, 1979.

* * * * * *

When Secretary Bergland went to seek the views of the people, Mr. Wood was among the first to speak. His feeling that now is the time to consider the forces shaping American agriculture was the same feeling that lay behind the meetings.

American agriculture today is one of the Nation's greatest assets. It plays a major role in our

domestic economy and our international affairs. It provides in abundance the food and fiber that are essential to life.

U.S. farming's productivity has been due to several factors: fertile soil and compatible climate, hard-working and innovative persons, dynamic technology, and a public commitment to foster productivity.

But concerns have been voiced increasingly in recent years about the strains in the agricultural system.

In 1979, for example, exports of agricultural commodities were at record levels, but snarls in the transportation network were becoming more frequent. Net farm income was up from depressed levels, but so was debt. The value of farm assets was at record levels, but commercial operators needed greater amounts of ready cash than ever before.

Grain exports in the late seventies largely offset the sharply higher prices of imported goods and raw materials. But many in and out of farming worried that soil erosion might be so great that the production levels could not be sustained. Part of that production depended on irrigation, yet water tables were falling and the quality of the surface streams was being questioned.

The availability, adaptibility, and price of fuel became a permanent daily concern.

Many people, in and out of government, believed that the agricultural economy had reached the point where an assessment was needed of the forces shaping it now and the direction it would likely take in the future.

Speaking before the annual convention of the National Farmers Union in Kansas City, Mo., on March 12, 1979, Secretary Bergland announced:

> *I am here to open what I hope will become a full-scale national dialogue on the future of American agriculture. I am not here to present my judgments. . . . I am here to ask you to begin thinking and thinking hard about what kind of agriculture you believe would be in the ultimate best interests of farmers and the nation. And I am seeking your advice on what we should do to get that kind of agriculture. . . . The time has come to consider where we are and where we seem to be going and to ask ourselves some critically important questions.*

The project he then ordered his staff to undertake for the balance of 1979, for 1980, and into 1981 included these several parts:

- Defining and clarifying fundamental problem areas in terms that would allow thorough analysis and discussion—using the combined resources of the Department, universities, private researchers, farm organizations, State and local governments, church and other groups interested in rural issues, and the entire spectrum of the public.
- Assembling, correlating, and interpreting the facts bearing on these issues.
- Initiating new research and/or adjusting ongoing research to newly explore aspects of the structure of American agriculture, the precise currents of the present, and the possible future.
- Working with the agricultural community and the consuming public to encourage the greatest possible participation in the dialogue.
- Arranging a series of public meetings across the country to allow persons to present their concerns and recommendations directly.

The public meetings opened in Montpelier, Vt., on the morning of November 27, 1979. They continued with sessions in Fayetteville, N.C., on November 28; Huntsville, Ala., November 29; Sioux City, Iowa, December 4; Sedalia, Mo., December 5; Wichita Falls, Tex., December 6; Denver, Colo., December 11; Spokane, Wash., December 12; Fresno, Calif., December 13, and Lafayette, Ind., December 18.

Between mid-March and mid-November, nearly 1,000 men and women had asked to be scheduled formally as speakers, with dozens recommended by organizations, foundations, and longtime observers in and out of government and farming.

In filling the 210 panel positions, USDA tried to assure that the diversity of interests within each of the 10 regions for the meetings was reflected. Each hearing included a panel of general farm organization officers along with representatives of farmwomen, racial and ethnic minorities, the banking community, farmer cooperatives of various sizes, alternative farming and marketing advocates, State governments, the churches, and different types of farms, by leading commodities and by sizes.

In the end, 70 percent of the scheduled panelists and 70 percent of all speakers at the meetings were farmers, representing either themselves alone or a farm organization.

Sixty-seven of the 210 scheduled speakers, or about 32 percent, testified as individual producers of the food, feed, fiber, forest, fish, and flora commodities that comprise U.S. agriculture. Nearly 37 percent of the scheduled speakers were representatives of farmers collectively—general or single-interest,

long-established or more recent organizations. Moreover, many of the speakers for farm organizations, other private groups, and units of State or local government were also farmers.

The panels were filled out with 16 representatives of nonprofit research and/or advocacy groups interested in rural or environmental issues, 10 officers of farmer cooperatives of various sizes and functions, 9 members of the clergy or other representatives of religious organizations, 7 owners or officers of agribusiness concerns, 6 bankers, 4 public officials, 4 representatives of laborers' interests, 4 consumers, 3 professors or others from the academic community, 2 agricultural journalists, and an officer of a nonfarm business association.

Each panelist presented a prepared statement and later was questioned by Secretary Bergland (who presided at each session), by an assistant secretary of agriculture or other top-level staff member, and, in several cities, by a State agriculture commissioner and/or the area's member of the U.S. House of Representatives.

After the last panel was excused, members of the audience—who earlier in the day had signed up for the "open microphone" segment—were given an opportunity to express their views, comment on the panelists' positions, and respond to questions. Audiences at the hearings ranged from 350 persons to more than 1,100—persons who had responded to notices relayed by local offices of Department agencies, farm and other organizations, and the mass media. A total of 365 persons presented their thoughts and suggestions during the closing portion of each day's meeting, with about 250 leaving behind for the record either immediate written reactions to the discussions or prepared articles or remarks.

Of the 365 open microphone speakers, 204, or slightly more than 55 percent, were farmers speaking as individuals. Other farmers were among the 56 representatives of farm organizations, 25 officers or members of nonprofit rural groups, 16 teachers or college students, 11 persons from agribusiness concerns, 13 public officials, 7 officers of nonagricultural business groups or firms, 6 clergymen or representatives of religious organizations, 2 bankers, 2 cooperative officers, 2 agricultural journalists, 1 former Department of Agriculture employee, 1 farmworker labor union backer, and, undoubtedly, the 18 speakers who did not indicate their occupations. One nonfarm rural resident also spoke during this portion of the meetings.

Those who left written remarks at the hearings and the more than 2,500 other persons, organizations, and business firms who expressed their views or asked their own questions by mail presented a greater range of backgrounds and occupations. More often than not, they did not specify their work, but certainly a large plurality, if not a majority, also were farmers.

When the series of meetings were announced, participants were asked to think about and, if they wished, comment on these 12 broad areas of concern: landownership, control and tenancy; barriers to entering and leaving farming; production efficiency, size of farms, and the role of technology; Government programs; tax and credit policies; the farm input-supply system; the farm product-marketing system; present and future energy supplies; environmental concerns, including conservation and use of soil and water; returns to farmers; costs to consumers; and the quality of life in rural areas.

Before the hearings began, the Department published and distributed to speakers and other interested persons a 305-page explanation and discussion of those concerns, *Structure Issues of American Agriculture* (Agricultural Economic Report No. 438), as background for the dialogue from the perspective of the Department's experts.

At the meetings, Secretary Bergland tried to focus the dialogue between himself, the panelists, and other speakers through a set of questions that drew on his personal concerns and his responsibilities as Secretary:

- What do you think is the proper Federal role, if any, on the matter of regulating who can sell what to whom, namely farmland, when "property rights is a State matter?" Do you think the Federal Government should preempt the States on this? Why can't the States handle it?
- What does the rising cost of fuel do to the competitive position of larger, more energy-dependent farms in relation to the smaller, more labor-intensive farms?
- How do we deal with this question of getting people started in farming with the enormous competition for land from established, larger neighboring farmers who can bid up the price beyond their reach? If we raise price supports to help beginners make a living, doesn't that just increase the ability of the older farmers to outbid them for new land?
- How do we persuade people to take better care of their soil when faced with the temptation to "cash in" on high grain or soybean prices? How do we keep from plowing marginal land? What is the role of the Federal Government in all this, if any? Is this something we leave to chance? What would you

do if you were in my shoes and under pressure to balance the budget? Is there something we should try?

- What do you think about the nearly total vertical integration of the broiler industry, which may in time dominate swine and other perishables? Does it close persons out of the chicken business? Does it bother you? If so, what do you think should be done to aid independent producers?
- How much of the risks of farming should the Government share or absorb? Should we remove the risks for everyone? Do we provide the *same* buffers for the 40-acre cotton grower and the 25,000-acre operation? Is there a sound way to tilt programs to limit the benefits now going to large-scale enterprises?
- Some say the Federal investment tax credits have worked against family farmers by underwriting outside investors, who erect factory-type production facilities. Should it be modified? How? What's wrong with these larger, efficient, competent, high-powered enterprises? Is this trend toward larger, fewer, more highly mechanized and specialized farms inherently unsound?
- Should price-support programs take into account regional or individual variations in production costs? If so, how?
- Is there a role for Government as an intervenor in the pressure to take farmland of ever higher value for housing, roads, and commercial development, when there is equal pressure to preserve it for food production?
- What do you think the role of the Federal Government should be in the railroad business?
- You say the family farm is essential. Are you saying that something other than efficiency should be taken into account when we design farm programs? What difference does the quality of rural life make? Why does the vitality of small towns matter?
- If we adjust inheritance taxes to allow easier passing-on of farms from parents to children, aren't we deliberately erecting a landed gentry? Aren't we saying that to own land, to farm, you have to be born into that family?
- What can we do to increase the access to markets of smaller producers? Why would a wholesale grocer in your city pay more for tomatoes trucked in from another State than he would pay in buying them locally? What's going to happen when it costs too much, or the fuel isn't available to ship lettuce from California to New York?
- Is it a sound idea to adopt the European model of financing research related to a commodity, with a tax on it at the point of first sale, rather than continuing political tugs-of-war when budgets are made?

The summaries that follow are an attempt to reflect the issues, personal concerns, values, and beliefs presented by the public at each of the 10 meetings. Separate sections are included in each report on mailed comments—partly because the tone or emphasis of the mailed material sometimes differed from that at the meeting, and partly to allow consideration of late arriving letters. These summaries are intended as a guide for interested persons to the concerns expressed in each region. The process of analyzing those concerns and the banks of other information already collected and still being sought continues.

Copies of the full transcripts are for sale. Details may be obtained by writing Alderson Reporting Company, Inc., 300 Seventh Street, S.W., Washington, D.C. 20024, or Acme Reporting Company, 1411 K Street, N.W., Washington, D.C. 20005 (Lafayette meeting only).

On April 29-30, 1980, a final public meeting in this series will be conducted in Washington, D.C., to receive the views of national organizations and elements of the food and agricultural system not fully represented, if at all, by the participants at the regional meetings.

Later in 1980, the comments, opinions, and suggestions presented at the public meetings as a whole will be assessed in the light of the Department's previous judgments and a broad range of outside research and informed opinion. This assessment will attempt to focus the problems more clearly, delineate the points of conflict and consensus, and frame the fundamental questions that remain to be answered.

The first stages of that process have begun. The hearing record now exceeds 10,000 pages of verbatim transcripts, written statements, letters, and dissertations. The public testimony continues to be reviewed by the staff that arranged the hearings and by the permanent staff of economists and program and policy officials in the Department.

Complaints about the administration or personnel of specific programs are being individually investigated.

Critical areas in which precise factual information is still lacking, or where perceived "trends" have been questioned, are being identified.

Research on matters related to taxes and other areas where there are gaps of knowledge either has begun or has been scheduled by Department agen-

cies, universities, foundations, and private organizations.

Projects begun at the State level by numerous organizations, as their response to the call for a national dialogue, also continue.

What's next?

Secretary Bergland has answered this way:

In 1981, the Congress will review or revise basic farm legislation. By that time, I hope we will have amassed the most comprehensive and reliable base of data ever compiled for developing, not only a new farm bill, but for making whatever adjustments are deemed necessary in tax laws, credit programs, and Government regulations that affect the structure of American agriculture.

What we need now is a way to measure how all public policies and programs impact simultaneously. How do they augment one another? How do they offset one another? Until we have this information, we are left to apply patchwork remedies--never getting to the source of the problems, never finding a comprehensive solution that avoids the unwanted and the unintended consequences.

I am telling all participants in the farm structure project to let the factual chips fall where they may, regardless of how those facts might contradict their own—or my own—prejudices.

I hope that the review, the research and the public discussion of farm structure . . . will show us how agriculture should be shaped, where it should be headed, how to get there and—above all else—how to save and expand freedom of choice in rural America.

Montpelier, Vermont
November 27, 1979

(Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont)

Secretary of Agriculture Bob Bergland opened the first of 10 public meetings on the structure of agriculture at 9:00 a.m., November 27, 1979, in Montpelier, Vermont. Between 350 and 400 people attended. Assistant Secretary of Agriculture Carol Tucker Foreman, Vermont Agriculture Commissioner William Darrow, New York Agriculture Secretary Roger Barber, and Massachusetts Agriculture Commissioner Frederick Winthrop joined Secretary Bergland in listening to speakers during the day.

Twenty-eight people took part in this meeting's six panel discussions, one of which featured six Future Farmers of America (FFA) and their instructor.

An additional 33 individuals took advantage of the open microphone to express their views, while 26 others submitted written material at the meeting.

Of the 87 people who spoke or left written testimony, 21 were farmers. Fifteen individuals represented a variety of groups ranging from traditional to alternative organizations. A number of these spokespeople were also agricultural producers. Others submitting testimony included educators, Government officials, students, Cooperative Extension Service personnel, agricultural cooperative representatives, public interest activists, religious representatives, journalists, a veterinarian, and several rural businessmen.

Among the types of operations specified by the farmers present, dairy was the most common enterprise, followed by fruits and vegetables. Poultry, sheep, and forest product representatives also testified.

More than half who spoke or left material came from the host State. New York had next best representation with 12 participants.

Regional Profile

Several of the States in this region were among the Nation's major commercial producers during the early years of the last century. But as improved transportation and westward expansion opened new production areas during the 19th century, the Northeast's significance as an agricultural region declined. Farming today is less important to the economy of this nine-State area than it is to any of the other regions where structure meetings were held. Farm sales accounted for 0.6 percent of the Northeast's total personal income in 1977. The region produced $5.7 billion worth of farm goods in 1978—about five percent of total U.S. production.

Nevertheless, the Northeast is in the forefront of some types of agricultural operations. New York and Pennsylvania are leading states in dairy, fruit, and greenhouse production. Maine is a significant potato state.

Regionally, dairy products are the leading commodities. Other important products are fruit and truck crops and, in portions of Connecticut, tobacco.

Cooperatives play a big role in the area's agriculture, due partly to the high concentration of dairy operations. Two of the Nation's 10 largest co-ops are located in the region, as are 7 of the country's 50 largest.

The Northeast is also home to a number of alternative agricultural and reform groups. Environmental and consumer interests are similarly well represented.

The region depends on outside sources for more than 80 percent of its food, and food prices tend to run well above the national average. Moreover, the Northeast includes several major population centers—Boston and New York City among them—and the area is one of striking physical beauty, ideal for country residences and vacation retreats. Land use questions arise repeatedly, and all States in the region have some sort of program to preserve farmland.

Food Self-Reliance

Unlike some regions, where a single issue such as prices or parity dominated, no one concern monopolized the Montpelier meeting. Most people discussed more than one issue in their testimony. But taken together, the issues addressed most frequently showed a widely shared determination to preserve and enhance the Northeast's remaining agricultural base.

For some, the goal was regional food self-reliance.

"We suddenly have to face up to the possibility of feeding ourselves," a Vermont editor said in written testimony. "If we don't, we're in for big trouble. The problem, of course, is that we have tended over the years to depend more and more upon States like California for our food. . . . But a few people here . . . have been asking how much longer we dare count on someone else to feed us. It has been reported that by the year 2000, California will have so many people it won't be able to export any food."

One small-scale producer from New Hampshire said, that "food self-reliance . . . is clearly the common ground shared by many of the people concerned about the Northeast's agricultural structure."

Others did not believe total self-reliance was feasible, but held that the Northeast could grow a greater portion of its food and might eventually have to. Said a spokesman for the New Jersey Agriculture Secretary: "The Northeast is largely dependent on foreign oil. The Northeast cannot afford to be entirely dependent on external sources of food as well."

A sheep and maple sugar producer pointed out the unused resources that could be called upon to meet New England's demand for lamb. "We have a lot of land still available," she said. "In fact when you fly over any of this territory you look down and you see all those places where they could be putting sheep."

In a written report, two small farm advocates from Vermont maintained: "We will never produce more than half our food needs, but we can begin to cut the margin and in so doing we can keep the food dollar in Vermont, keep people off the public dole, rely less on social services, help rebuild our rural communities, and finally create a sense of interdependence among the rural people."

Judging only by the numbers, agricultural land preservation was the issue that concerned the greatest number of people at Montpelier. About a quarter of those who spoke or left written testimony mentioned the problem. "We lose in New Hampshire 10,000 acres of agricultural land a year to other uses," said a dairyman, "and we already have too little agricultural land to start with."

Witnesses offered different explanations for the decline in farm land availability. A few thought it was due to outside investment in farming, tax loopholes, or purchases by multinational corporations. Others cited the desire of city people to own a piece of country property.

A Vermont Extension agent, who was also secretary-treasurer of the Vermont Small Fruit and Vegetable Growers Association, summed up what many witnesses considered the main land preservation problem: "In the rural areas of Vermont and New England we have the rural resident who has escaped the city to enjoy the good life in the country. The farmer who must earn his income from the land cannot tolerate for long the encroachment of development."

The problem's solution appeared obvious to several at the meeting. An environmentalist from New York's Champlain Valley said: "Agriculture is environmentally critical and socially critical. So I think that we need to take agricultural lands off the open market with other land at sellers' value and not allow them to be developed into shopping centers, shopping malls, subdivisions, or whatever."

But several witnesses saw the problem as being more complicated. They were concerned about finding ways to balance the producer's right to sell his land with the Northeast's need to keep producing acres in farming. A teacher and part-time farmer said: "One must have some sympathy for the farmer who,

after a lifetime of cold hands in the milk barn, wants to cash in on his or her unalienable right and his pursuit of happiness in a countryside condominium in Clearwater, Florida."

And an agricultural research technologist from Massachusetts posed the quandary this way: "I support the constitutional right of individuals to do what they wish with their land, but I think there should be some incentives to keep farmland in farming."

Entry Barriers

Lack of suitable land was mentioned frequently as a barrier excluding people from farming. Indeed, barriers to entry—credit problems, land costs, taxes, and the like—were cited repeatedly at the meeting:

. . . "My real concern is for qualified individuals who want to get into dairying. The price of farms is getting all out of proportion to the income to be derived from agricultural pursuits." (A Vermont veterinarian)

. . . "How will a young farmer gain entry unless he is fortunate enough to inherit?" (A New York crop farmer)

. . . "High capital costs make it increasingly hard for anyone starting in farming to secure acreage enough to begin with a working unit." (A farm organization spokesman)

. . . "How about the younger person who does have the ability and background but who did not come from a family farm?" (A New Hampshire banker)

. . . "The young person who wants to farm cries out that it is impossible for him to buy farmland. He tells me that it is easier to become a plumber, electrician, or even a doctor, than a farmer." (A Catholic priest from Vermont)

There was no consensus on how to solve the problem of entry barriers. Testifying in the morning, a farm organization representative from Maine said the difficulty facing beginning operators in his State seemed to be ". . . not the reluctance to set young people up in farming, but a tendency to throw them in the deep end." He concluded: "Those of us that started when I did about 25 years ago had this opportunity to grow slowly. . . . But there seems to be no chance to let people get into farming, developing their management skills as they go along."

Yet a New York State dairy operator said in the afternoon session that the problem he saw was that nobody *wanted* to start small. "One of the many things that concerns me," he said, "is that we apparently have a group of young people that are saying they can't get into farming because their concept of getting into farming is only a 500-acre farm with 200 milk cows the day they start. That is not how you start in farming."

Similar disagreements appeared about the role of credit in overcoming entry barriers. "The spirit is willing, but the financial backing is weak," declared a Catholic churchman from the Burlington, Vermont, diocese.

He apparently represented the majority opinion at Montpelier. But another witness, also from Vermont, cautioned: "We need to find technical means to help these people, set the stage for them to come into agriculture, but I don't think we ought to just go out on a limb with easy credit as a method of getting the job done."

Costs and Credit

Whatever differences surfaced about how to deal with the entry barrier problem, there was scant disagreement that the spiraling costs of successful farming were a principal obstacle. A group of FFA students from Vermont reported findings from a survey they had made in their area regarding changes in farming expenses between 1970 and 1979:

—Land prices, up 100 percent

—Taxes, up 175 percent

—Equipment costs, up between 150 and 260 percent, depending on the item

—Insurance, up 200 percent

—Federal Land Bank interest rates, up 20 percent

Farming's high costs to both beginning and established operators made credit a major concern at the Montpelier meeting. While not many people focused their presentations entirely on the topic, a number referred to it, at least in passing. As a result, credit was mentioned almost as often as any other subject raised at the meeting, and the Farmers Home Administration's (FmHA) programs were discussed more frequently than those of other USDA agencies.

The manager of a poultry and egg cooperative in Maine asserted that FmHA loan limits had not kept pace with farmers' growing capital needs. "The farmers here in Maine cannot obtain funds from production credit or local banks, which leaves them with only FmHA," he said. Asked what single action USDA could take that would most help her, a small-scale operator from Connecticut replied, "Alleviate a lot of the red tape in the FmHA." She went on to explain: "A lot of good purchases are lost because of the time lapse from the time you make the application and you get the loan. You can't blame sellers for their

unwillingness to wait 6 months or a year before they sell their property."

A Massachusetts producer noted: "The most likely source of capital would seem to be FmHA, but they ask for a record of past performance that would show ability to repay a loan, not unreasonable but difficult to a new entry farmer." A veterinarian from a dairy area in northern Vermont said the problem was more than just loan regulations: "The bureaucratic bungling in the local offices of the FmHA is beyond comprehension. These people do not know farming and are insulated from all but the most serious malfeasance."

What was the Federal Government's obligation regarding credit? Here, again, the witnesses differed. Most seem to endorse the views of a large-scale dairy operator from New York: "A person who is experienced and likes agriculture should be able to get Government assistance if he desires and is qualified, provided other means of financial aid are not available." But others appeared to agree, at least in part, with a Pennsylvania dairyman who said agriculture was being undermined by inflation that the Government had encouraged, partly with unwise loan programs.

Taxes

Taxes were seen by many at Montpelier as yet another heavy burden on Northeast farmers—again, not just beginning operators, but established producers as well. Inevitably, many witnesses cited inheritance taxes as a major concern to both parents and children. But much of the tax problem was local: "In our county alone there are over 26,000 building lots for sale, and they are trying to tax the rest of the agricultural land as though it was building lots," said a New York dairy producer whose farm had been in his family for almost 200 years. Another New Yorker reported that his neighbors had had enough. "In my area," he said, "all but two farmers in the next township have decided to sue the town for imposing an enormous school tax increase last year." Several speakers recommended using income taxes instead of property taxes to support local school systems.

Market Problems

In addition to credit and taxes, the Northeast's marketing situation was a subject of major interest. Broadly speaking, two types of marketing concerns surfaced: Established, commercial operators who addressed the topic seemed most worried about possible changes in the current marketing system that might work against their interests. But alternative producers and many consumers were eager to explore new marketing possibilities, especially direct marketing and farmers' market arrangements. Though different in orientation, the two groups were not generally in conflict, since the first was composed mainly of dairy operators and the second of small-scale, diversified producers.

Several dairy farmers at Montpelier voiced concern about possible modifications in the Capper-Volstead Act, under which agricultural cooperatives operate, and about changes in the current marketing order and price support system. "It is encouraging that the Secretary of Agriculture has taken the initiative to thoroughly review farm policy," said a northeastern milk cooperative in its prepared statement. "The only possible reservation one might have is the fear that some of the programs that have served agriculture and the general public very admirably for many years, might be abandoned or so radically modified that they would not longer serve their purpose."

Sounding the same theme, the spokesman for a Pennsylvania dairy cooperative said during the open mike session: "I think that any modification of the Capper-Volstead Act goes to the heart of the cooperative movement in this country." The representative of one of the Nation's largest supply cooperatives asserted that many of the northeastern farm families expected ". . . USDA to be a supporter of the farm cooperative principles established long ago and to rigorously defend their rights as defined in the Capper-Volstead Act."

Another co-op representative maintained: "The one thing that would topple the Northeast completely into the hands of the wholesale buyers of milk is for the dairy cooperatives and the milk order system to become so undermined that they fail to provide countervailing power for the farmers."

Others at Montpelier were less concerned with this threat, however. They were interested in exploring ways to encourage the flow of farm goods—especially goods from small-scale operations—directly to consumers. The issue attracted consumers and producers alike.

"Consumer and small commission farmers in Connecticut and in New England have very similar interests and needs," declared a self-described "official consumer" from Hartford, "and if USDA can support these people who are not being supported by anybody, we'll all stand to gain."

Much of the enthusiasm centered on establishment of farmers' markets in cities. Hartford's "official consumer", who worked with the Connecticut Public Interest Research Group, reported on the success of a farmers' market in Hartford: "The farmers were consistently 25 to 27 percent below the supermarket prices . . . People laughed when we asked them how it compared. Ninety-two percent of the consumers said it was vastly superior."

A vegetable producer from Massachusetts reported similar consumer reaction to farmers' markets in the Bay State. "They love it," he said. "What they see many times in their markets is high priced and a step away from garbage."

Confirming the popularity of these markets, a vegetable specialist with the Massachusetts State Extension Service noted: "Farmers' markets are now moving tons of fresh produce and making it accessible to some inner city areas, which provides a real alternative source of fresh produce to many."

The importance—and potential—of local marketing in the Northeast led to several proposals for research and other special assistance. A farm organization representative from Vermont said: "I think one of the prime concerns I hear as I travel around is the need for some research to develop new means of marketing, probably new means of food production on a smaller scale."

A community development corporation representative from Maine commented on the need for new marketing structures in the Northeast and added: "USDA's role is to provide expertise and backup support of local initiatives. Financing, technical assistance, research, and developmental programs must be appropriately designed."

A fruit, vegetable, and forest products operator from Vermont said that local producers needed training to help them improve the appearance of their crops, thus helping them to claim a larger market share. Otherwise, he added, "farmers' markets will remain limited to short-season, small-scale production." A New York producer with 200 acres in crops agreed that farmers' markets were not realizing their full potential, but saw the problem as one of logistics and timing: "Most of these market days are relegated to Saturday, which is a particularly bad day for farmers who might need to conduct other important business in town." He made a plea for greater support from city authorities, saying that the markets "need to be expanded seasonally, securely and centrally located in town, and extended onto a more consistent daily basis."

At least one speaker at Montpelier asked for renewed Federal funding for direct marketing projects.

Summary of Major Issues

In summary, these were the major issues discussed at Montpelier:

—Preservation and improvement of the Northeast's agricultural potential. Some wanted to achieve regional food self-sufficiency; others sought simply to increase production for local consumption; and still others hoped to protect the production and marketing of commodities, such as dairy products, fruits, and vegetables, that had long been established in the area.

—Agricultural land preservation. This issue drew the greatest number of comments.

—Entry barriers facing beginning farmers. Clearly related to other issues raised at the meeting, this topic was discussed by young and old producers and members of the rural community alike.

—Credit and taxes. Participants at Montpelier, in general, wanted more of the former and less of the latter. Many thought these two factors did much to determine opportunities open to the region's farmers, and in that way influenced the distribution of land in the Northeast. FmHA's credit programs received considerable criticism at the meeting. Much of the tax problem, on the other hand, was seen as local.

—Marketing. Dairy producers warned against changes in existing laws and regulations, especially those relating to cooperatives, price supports, and marketing orders. Small-scale diversified producers and consumers focused on new marketing arrangements that would cut the middleman's share of the consumer's dollar.

Besides the issues noted here, a number of other subjects were discussed, some of them related to the above and others distinct. Among these concerns were:

—Conservation. "Much of our soil has a form of diabetes," said a Maine potato grower who advocated a wide-ranging soil audit. "At the present time, we are reacting to soil health problems . . . by adding more fertilizer and chemicals; that is like trying to put out a fire with gasoline." Several speakers at the meeting thought organic farming offered an alternative, wiser approach to soil conservation.

—Transportation. Consumers generally said transportation expenses boosted their food costs and were thus a reason to strive for greater regional self-sufficiency in food production. Farmers with livestock expressed concern about the difficulties and expense of transporting feed grains from the Midwest; their comments focused on problems with the rail system.

—Prices. Consumers wanted lower food prices, operators higher returns. A number of people saw direct marketing and farmers' markets as ways to cut food prices and boost producer benefits simultaneously.

—Federal programs. Apart from dairy programs, USDA commodity programs received little discussion. Occupational Safety and Health Administration (OSHA) and Environmental Protection Agency (EPA) regulations were criticized as unduly restrictive.

—Farm size. Some felt small-scale production was the logical response to the changing energy picture and the Northeast's food needs. Others distrusted the trend toward fewer and larger farms, or questioned the ecological consequences of large-scale farm technology. "I hate agribusiness because it is a destructive force of American agriculture," said an 83-year old Vermont resident, who went on to describe what he considered to be the unfair advantages accruing to big producers. A Main dairy farmer commented: "After 25 years of assuming debt to get bigger and hence 'better,' when will American agriculture see the payoff? . . . More than a century of increased efficiency and a quarter century of increasing farm size in quest of efficiency has gotten us tractors on the Capitol Mall." But still others at the Montpelier meeting warned against artificial constraints on either farm size or technological innovation.

—Public education. Several participants saw a need to increase the nonfarm public's awareness of the realities of modern agriculture, especially the percentage of the consumer's food dollar that goes to the producer.

The Rural Community

Beyond these issues, participants at the Montpelier meeting talked about the relationship between agriculture and communities. Much of the discussion concerned economics. Family farms are "extremely important to the economy of the Northeast," said a dairy farmer in testimony submitted after the meeting. "Yet every year the position of the family farm operation in the Northeast is deteriorating."

A Vermont hardware merchant, concerned about land prices and the future of the family farm, was more specific about the relationship between agriculture and rural prosperity: "Each year about 65 percent of my sales go to farmers or farm-related businesses," he explained. "If something was to happen to the farming in my area, my business would suffer dramatically . . ." The executive director of a planning agency in central Vermont noted that a survey his office had conducted showed a 36 percent decline in local farm acreage between 1970 and 1979. "Our area is quite rural and has had agriculture among its economic foundations since its beginning," he said during the open mike session. "This (the decline in farm acreage) is not a situation that we can simply live with."

Despite these and other similar statements, there was frank acknowledgement at Montpelier that problems can result from mixing farm and nonfarm residents in a single community, especially with respect to taxes, a subject already discussed in this summary. Noting that many rural residents commute to city jobs, an Extension agent talked about disagreements over such things as schools, roads, and municipal services, many of them not vital to farming operations. These are "voted by the majority," he said, "but the tax burden to pay falls for the most part on 'the farmer landowner'."

Beliefs and Values

Agriculture's importance was seen to include more than economics, however, and more than the rural community. A Massachusetts operator explained the benefits of having small farms close to cities. First, he spoke of food costs and food quality, then of the less obvious returns—the benefits to the students and teenagers we employ, the many young children who visit to learn where and how food is produced, and the local communities who save the costs of disposing of materials that we recycle."

People at Montpelier also stressed farming's important role in fostering the beliefs, values, and system of government that the United States aspires to as a Nation. "As we consider the structure of our agriculture, remember that we are dealing with the shape of our democracy," said a Maine dairy operator. "Someone with roots in his community, farming land that he owns and was perhaps owned by his father before him, and he hopes will be owned by his son after him, is going to participate in making his town, State and Nation work."

Variations on this theme appeared throughout the meeting. "Family farming is a social concept, as well as economic," said a fruit and vegetable operator from Vermont. "Country living on a farm, with chores to do, builds self-reliant, flexible people." A small-scale Connecticut producer said of the New England small farmer: "He knows that his product is important to the consumer of his area, and even though he has to work twice as hard to get half as much, he is willing to do so because he has a strong sense of pride."

In the same vein, a New York dairyman declared: "We're employed in the most honored profession known to man, using God-given resources of this earth to produce those things necessary to sustain life." He went on to talk of the size and complexity of the farmer's task, and then ended his testimony: "Farming is . . . a way of life, but not a way of life predetermined to fit someone's nostalgic image of the simple, hard working and honest farmer."

Mailed Comments

The comments ranged from general observations on the Montpelier meeting to detailed discussions of specific problems. Not all of the material was relevant to the Northeast; one study, for example, examined farm size and efficiency in the Columbia River basin.

A few subjects received less attention in the mailed material than at the meeting itself; credit and the FmHA were cases in point. The key difference was not in the kinds of concerns raised, merely the frequency with which they were discussed. The basic message was the same.

The common thread linking a number of comments was the determination to preserve and enhance the Northeast's agricultural resources. The need to increase and diversify regional food production figures prominently in the thinking of many who wrote. "We in Vermont import about 80 percent of our food and food prices are between 10-15 percent higher because of transportation and processing costs," said a correspondent from Randolph, Vt. "The need to produce food on our own land for the people of this State is evident."

A lawyer from New York said, simply: "It is not wise to have the bulk of perishable crops produced at great distance from market."

Many who wrote on this issue felt the changing energy picture had increased the need for regional production. "The energy crisis has clearly revealed that the national production/distribution system for all goods is based on incorrect assumptions concerning the finite nature of natural resources," said a report mailed to USDA. "One possible way to deal with such resource-related crises is the development of regional, ecologically sound, self-sufficient production/distribution models."

Preserving farm land was a pressing concern to many who wrote. "We cannot afford to lose good cropland, especially in New England where we are so dependent on other parts of the country for food," said a Connecticut small farmer. She believed estate taxes caused land to be taken out of production. "Many times a farm family is forced to liquidate their assets in order to satisfy the Federal Government's demand for estate taxes," she wrote. "This usually results in selling the farm to a developer."

Despite a widely shared feeling that Government, at some level, should move to protect farm land, the difficulty of doing this was alluded to in the written comments. "It seems tax incentives and zoning have been ineffective," a Vermont resident noted. Another Vermonter suggested why. Farmland zoning was doomed to fail, he said, because "it is based on the argument that, even if food production is not profitable enough to justify keeping land in that use, it just has to remain farmland anyway, by decree." In other words, economic returns will eventually decide how land is used.

Small farms were important to many of the correspondents. A number linked regional food production and farm land preservation together with small-scale units. Massachusett's Lieutenant Governor explained his State's agricultural goals, which appeared from the mail to be typical for the Montpelier region. Small farms were mentioned first. "Our primary goals are to preserve the viability of small and family-owned farms," he said, "to decentralize the food distribution and marketing process, to create a market for locally grown food products, and to conserve scarce agricultural land."

Some believed small operators to be the best stewards of the soil. A New York dairy operator, concerned about top soil problems in the Northeast, said: "The homesteader is a part of the dedicated volunteer force, determined to help our agriculture get back on the right track. They need our help, not our ridicule," he concluded.

Several suggested that small-scale producers were the most efficient farmers. A New York resident argued that large, vertically integrated operations enjoyed an unfair edge, thanks to the Government. "Remove these absurd advantages," he said, citing past Federal reclamation policy as an example, "and small farmers will not only replace the large ones, but do a better job." A 25-year-old Vermont dairy farmer, veteran of several small farm conferences, urged people to stop talking about the small-scale producer's plight. "*Do something about it,*" she wrote, underscoring her words, "and *good food* and *plenty of it* will be the *benefit!*"

Cautionary notes appeared in the correspondence, however. A New York economist, reviewing farm programs, farm size, and U.S. agriculture's past performance, concluded the record was not too bad, on the whole. He warned: "The largest family farms

should not be jeopardized by ill-advised Government programs focused solely on trying to keep the smallest unprofitable farms in business."

A Maine dairyman agreed. He drew a distinction between commercial and noncommercial farms in the Northeast, and maintained that the two groups had to deal with different sets of circumstances. "Misguided initiatives for the noncommercial group of farms, whether they be called small farms, limited resource farms, or whatever, could have harmful effects on commercial family farms," he wrote.

Farmers with different types of operations were joined together—and linked with consumers, processors, and others as well—by their interest in at least one broad area, marketing. Specific marketing concerns varied, however.

A forestry consultant recommended developing wider markets for low grade forest goods—firewood and tree chip products. "My experience with landowners and forestry," he said, "leads me to believe that the forest would be more carefully and substantially improved if . . . the removal of thinnings and cull was not only beneficial to the forest, but profitable to landowners and loggers immediately, as well as in the future."

Spokesmen for two dairy processors addressed different problems they found with milk marketing; one talked about price support levels, the other about differential pricing regulations.

But most of the interest in marketing, as revealed by the mailed comments, focused on alternative market outlets—primarily for small-scale producers. "Marketing emerges as one of the most critical areas for most small farmers, yet it is an area where there is little assistance from Government programs," said a Vermont dairy goat operator.

The mailed material provided information about marketing beyond what was said at the meeting. A study of Vermont farmers' markets indicated that most participants were small, part-time producers supplementing their incomes. The report concluded, in part, that farmers' markets might be a first step toward a broader regional marketing system.

Two VISTA volunteers, reporting on their work with a New Hampshire marketing project, saw a need for a more comprehensive marketing system. "Roadside stands and farmers' markets are valuable supplementary incomes, but on a full-time basis are very time consuming and not always practical . . . ," they said.

Their experience indicated that a real potential existed for wholesale outlets connecting producers to State institutions, restaurants, grocery chains, and the like. "The market is there," they said, "but the missing link—wholesale distribution systems—is usually not."

This conclusion was supported by a letter from a nutritionist with the Vermont Office on Aging. She was responsible for the State's elderly nutrition program, which expected to serve 625,000 meals in 1980. She had tried for 2 years to buy Vermont farm products to serve at meal sites, she said, but so far, without success.

"I'm frustrated that our program could conceivably pump half a million dollars annually into small and large farm operations in Vermont, but there is no one specifically responsible for State-wide direct marketing to see that this happens," she wrote. "I am optimistic in thinking that the State Office on Aging, through example, could lead other mass feeding programs and large institutions into a different buying pattern that would directly benefit and encourage small farmers and would decrease Vermont's current reliance on receiving out-of-State supplies. . . ."

The mail, like the meeting, also showed transportation to be a concern of some people. The most specific discussion of the issue came in material from two feed association representatives. Both focused on the rail system.

One pointed out that Northeast agriculture depended heavily on animals, and that 95 percent of the feed consumed was shipped into the region, mostly from the Midwest.

"Because of this dependence upon outside sources for feed grains, transportation costs—specifically rail rates on grain and feedstuffs—are a matter of overriding concern for New England agriculture," he said.

He felt the competitive disadvantage these rates imposed on New England operators was a major reason for the region's declining self-sufficiency in dairy and poultry production.

The other grain association spokesperson argued along the same line. He opposed rail deregulation, at least for feed grains and feedstuffs, on the ground that it would make the rates higher and the situation worse.

Further, he noted that transit time from the Midwest varied erratically between 7 and 20 days. "A predictable transit time is more important than faster service," he said.

While increased regional food production, farmland preservation, small farms, and marketing and transportation were the main subjects discussed in the mailed comments, several other topics received significant attention. Among them were the following:

The Environment: Conservation, environmental concerns, farm chemicals, and the like figured vari-

ously in the written material. What emerged from many comments was a sense of uneasiness about modern agricultural practices, especially ones that may pose long-term threats to the environment or to human safety. Said a Vermont correspondent: "Some chemicals are necessary for most farming operations, but there is no reason to use chemicals in place of good farming practice." At least two writers recommended more work on integrated pest management.

Energy: This topic often surfaced in connection with other issues, but was sometimes addressed independently. One woman wrote: "In view of the rapid depletion of our finite fossil energy resources, it is, in my opinion, an immoral act to use increasingly large quantities of fertilizers that have required energy input. . . ." Some witnesses proposed major programs to develop new energy sources. "If we put men in space and on the moon—we can become involved and solve every problem of energy and ecology sensibly . . . at much less cost than the space program required," wrote a Massachusetts resident.

Research: Usually, when people mentioned this subject, they called for research on specific issues—energy, weed and pest control, production, and similar topics. But several individuals voiced a general concern about what they felt was a failure of research funding to keep pace with farmers' needs.

Government Regulations: Most who mentioned them did not like them. But a New Yorker wrote: "Soil conservation, pollution, nutrition, safe food supply—all of these aspects of agriculture need adequate protection, both from the standpoint of preserving the family farm system . . . and the public interest. And only tight government regulations in many cases will do the job."

Beliefs, values, and farming's noneconomic contributions: Farmers' qualities as citizens were not overlooked by those contributing mailed comments. "The characteristics of the small farm entrepreneur should not be taken lightly, treated as an anachronism to be tolerated, dragged out for use in political speeches only," wrote a small farm entrepreneur. "*Resilience, persistence, inventiveness, willingness to work many more than 40 hours a week should not be taken for granted . . . ,*" he added. A New Jersey man, long involved with his State's agricultural producers, noted: "Farmers as a group are hard working, intelligent, and ambitious; the ones that aren't have quit and taken positions elsewhere." And from a Rhode Island resident came this broader comment: "We must do all in our . . . power to maintain the family farm and all existing farming in New England. This goal must be achieved in order to provide some kind of reasonable living space for our posterity, to maintain a sense of aesthetic beauty in our surroundings, and to provide some (as much as possible) of the food needed in the area."

Panelists: Alden Ballard, St. Albans, Vt., farmer, Vermont House Agriculture Committee; Jeff Begins, Hyde Park, Vt., Future Farmers of America; Rupert C. Chamberlin, Montpelier, Vt., Vermont State Farm Bureau; Carl Casey, Hyde Park, Vt., Future Farmers of America; Robert Downing, N. Reading, Mass., farmer; Glen Edick, Syracuse, N.Y., Agway, Inc.; April Edwards, Hyde Park, Vt., Future Farmers of America; Gerald Erb, Mt. Joy, Pa., farmer; Jarlath Hamrock, Willet, N.Y., farmer; Samuel Kayman, Wilton, N.H., farmer, Natural Organic Farmers Association; Francis Kirby, Albion, N.Y., farmer; Daryle E. Lowry, Vergennes, Vt., Vermont Grange; Bonnie Newman, Concord, N.H., Forum on New Hampshire's Future; Father Basil Nichols, Bristol, Vt., Diocese of Vermont; Sherwood Prout, Newport, Maine, Maine Coast Poultry and Egg Corporation; Charles Purrier, Hyde Park, Vt., Future Farmers of America; Michael Schaaf, Bath, Me., Coastal Enterprise, Inc.; Otis Smith, Houlton, Maine, farmer and potato shipper; Francis Southworth, Concord, N.H., Concord National Bank; Cornelia Swayze, Tunbridge, Vt., farmer; Sally Taylor, Hartford, Conn., Connecticut Public Interest Research Group; Scott Tobin, Hyde Park, Vt., Future Farmers of America; Robert M. Wetherbee, Enosburg Falls, Vt., farm supply store operator; Lyon Willy, Hyde Park, Vt., Lamoille Union High School; Dick Wood, Freeport, Maine, National Farmers Organization; Patricia Y. Zee, Glassboro, N.J., farmer, American Agri-Women.

Open Microphone: Robert Apple, Calais, Vt., Central Vermont Regional Planning Commission; N. Kenton Bailey, Vt., farmer; Alice Bennett, International Tree Crops Institute; Will Brinton, Maine, Woods Laboratory; Michael G. Brown, Monticello, Maine, farmer; Robert H. Burch, Trenton, N.J., Office of the New Jersey Secretary of Agriculture; Matthew A. Chiara, Lawrence, Mass.; Grant L. M. Corwin, South Royalton, Vt., farmer; Martin Culver, N.Y., farmer, New York Grange; Paul Dorfner, Johnson, Vt., Johnson State College; John C. Fitzgerald, Essex Junction, Vt., Toplands Farm; Robert L. Foster, Middlebury, Vt., Yankee Milk Cooperative, farmer; Robert Geffen, Amherst, Maine, Cooperative Extension Service; Cornelius O. Granai, Vt.; Fenton Groen, National Farmers Organization; Grace Jensen, Craftsbury Common, Vt., Natural Organic Farmers Association; Elizabeth Jones, Vt., publisher; Robert Kibbe, Barnstead, N.H., farmer; Ellen Lariviere, Andover, Conn., farmer; Mrs. Thomas J. McGovern, Vt., representing husband who sells and installs milk and cooling equipment; Richard T. McGuire, Glenmont, N.Y., farmer; Susan Morse, Burlington, Vt., farmer, University of Vermont; Herbert Ogden, Hartland, Vt., farmer, Vermont State Senator; David Pansegrouw; Alan Parker, North Danville, Vt., Vermont Small Farm Coalition; Leighton Pratt, Lancaster, N.H., Vermont/New Hampshire Potato Growers Association; Gary A. Randorf, Elizabethtown, N.Y., The Adirondack Council; Howard Reilly, N.Y., New York State Grange; Lucille Sadwith, Cornwall Bridge, Conn., Association of Farm Research; Frederick E. Schmidt, Burlington, Vt., University of Vermont; Andrew Snyder, Rutland, Vt., Rutland County Farmers' Market, farmer; Lawrence Underhill, Concord, N.H., farmer; John C. York, Allentown, Pa., Lehi Dairy.

Written Comments: Edward L. Bouton, Montpelier, Vt., Cooperative Extension Service; Francis Branon, Fairfield, Vt., farmer; Alice Cowan, Montpelier, Vt., Natural Organic Farmers Association; R. P. Davison, Burlington, Vt., Department of Missions of the Vermont Conference, United Church of Christ; Benjamin W. Drew, Vershire,

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Vt., farmer; Raymond T. Fouldo, Jr., Burlington, Vt., Cooperative Extension Service; Jon Freeman, Whitefield, N.H., New Hampshire Vocational Agriculture Teacher's Association; Sally Gaynor, Whitefield, N.H., Future Farmers of America; John Holmes, Whitefield, N.H., New Hampshire Vocational Agriculture Teacher's Association; Stephen Anthony Iacketta, Cohoes, N.Y., Nature Conservancy; Gerald E. Ivison, Bryon, N.Y., Curtice-Burns, Pro Fact Coop, Inc.; Hugh H. John, Burlington, Vt., Council of Forestry School Executives; Richard M. Ketchum, Manchester Center, Vt., *Country Journal*; R. Alden Miller, Worcester, Mass., Cooperative Extension Service; Richard Miller, Barnstead, N.H.; Jean Palmer, Burlington, Vt., University of Vermont Students for Progressive Agricultural Development Through Education; Adam Parke, Barton, Vt., farmer; Milton Robison, St. Albans, Vt., veterinarian; Clyde E. Rutherford, Otego, N.Y., Dairylea Cooperative, Inc.; Peter Ryersbach, Montpelier, Vt., Bread and Law Task Force; Sandy Schroyer, Rutland, Vt., Bennington-Rutland Opportunity Council; Theodore P. Scott, Whitefield, N.H., Future Farmers of America; Laura Simon, Shelburne, Vt., New England Farmworkers Program; Lynn Whalen, Williston, Vt., research technologist; Leighton Wilcox, Whiting, Vt., farmer.

Mailed Comments: Kim Allsup, Providence, R.I., Rhode Island Community Land Trust; Anthony Andaloro, Westville Grove, N.J.; Harold E. Billings, North Clarendon, Vt.; Barbara N. Boyer, Wilbraham, Mass.; George Burrill, Burlington, Vt., Center for Studies in Food Self-Sufficiency; Clifford E. Busekist, Springfield, Mass., Farm Credit Banks of Springfield; Brian Caldwell, West Danby, N.Y.; Alan Casline, Canton, N.Y.; Wayne Cobb, Portland, Maine, Resource Conservation and Development Area; Frank J. Cowles, South Burlington, Vt., Vermont Feed Dealers and Manufacturers Association; Chester E. Cross, East Wareham, Mass., University of Massachusetts; Della B. Culver, Pine Plains, N.Y., farmer; Charles Davis, South Hero, Vt., Dina Dubois, New York, N.Y.; Robin M. Fitch, Calais, Vt., farmer; Olan D. Forker, Ithaca, N.Y., Cornell University; Gerald R. Fuller, Burlington, Vt., University of Vermont; Robert F. Hall, Willsboro, N.Y.; Martin S. Harris, Jr., Sudbury, Vt., farmer; Anne C. Holst, Warwick, R.I., farmer; Alice P. Hooper, Brookfield, Vt., farmer; Grace Jensen, Craftsbury Common, Vt., Natural Organic Farmers Association; Evangelyn D. Johnson, Bristol, Vt., Vermont Natural Food and Farming Association; Ronald I. Katz, Almond, N.Y.; Alan Kezis, Orono, Maine, University of Maine; Karen Kitzmiller, Montpelier, Vt., Vermont Office on Aging; Ellen Lariviere, Andover, Conn., farmer, Gladys Lodge, Dorest, Vt.; J. Patrick Madden, State College, Pa., Pennsylvania State University; Marianne S. Mesha, Montpelier, Vt., Vermont Natural Resources Council; E. N. Moot, Schenectady, N.Y.; Anne Murphy, Tenafly, N.J.; Thomas O'Neil, Boston, Mass., Lieutenant Governor of Massachusetts; John F. Rogers, Point Lubbock, N.Y.; Gary Randorf, Elizabethtown, N.Y., The Adirondack Council; Frank D. Reed, Orono, Maine, New England Grain and Feed Council; Rebecca Reno, Concord, N.H., VISTA; J. Phillip Rich, Stowe, Vt., J.P.R. Associates, Inc.; Merle Severy, Randolph, Vt., Vermont Association of Conservation Districts; Jeanne M. Singer, New York, N.Y.; Paul Slater, Amherst, Mass.; Chester W. Smith, Baldwinsville, N.Y.; Earl F. Spence, Palatine Bridge, N.Y., farmer; Debbie Stoops, Concord, N.H., VISTA; Craig E. Stuart, Greenfield, Mass., Franklin Comn unity Action Corporation; Heather Tischbein, State College, Pa., National Rural Center; Dwight Tripp, Minot, Maine, farmer; J. I. Wagner, Gorham, N.Y.; C. Walker, Little Compton, R.I., farmer; John F. Weeks, Concord, N.H., Weeks Dairy Foods; Rhonda Welcome, Dover-Foxcraft, Maine, Office of Economic Development, Piscataquis Co.; Jack Weller, Princeton, N.J., farmer; H. L. Wildasin, Boston, Mass., H. P. Hood, Inc.; Jud Williams, Randolph, Vt., East Central Vermont Resource Conservation and Development Project; John L. Womack, Glassboro, N.J.; W. Edward Wood, Providence, R.I., Department of Environmental Management, State of Rhode Island; John C. York, Allentown, Pa., Lehi Dairy; and, Patricia Young, Scranton, Pa.

Fayetteville, North Carolina
November 28, 1979

(Delaware, Maryland, North Carolina, South Carolina, Virginia, West Virginia)

Secretary Bergland conducted the second of this series of public meetings at the Cumberland County Memorial Auditorium in Fayetteville, N.C. Upwards of 1,100 farmers, businesspeople, rural activists and other interested parties nearly filled the auditorium. Assistant Agriculture Secretary P.R. "Bobby" Smith, North Carolina Governor James Hunt, U.S. Representative Charles Rose, whose congressional district is centered in Fayetteville, and James A. (Jim) Graham, North Carolina Comissioner of Agriculture, joined the Secretary in questioning the speakers. North Carolina Lieutenant Governor James Green listened from the audience.

Four FFA members comprised one of the six panels for the hearing, and John Ingram, North Carolina Commissioner of Insurance, also spoke during that opening segment.

The four-member panels were followed by 30 persons who contributed their views during the "open microphone" segment. Two dozen written comments were left at the hearing for inclusion in the record.

Of the 79 men and women who spoke or wrote, 51—or nearly 65 percent—were farmers. Thirteen of them spoke as representatives of organizations or as public officials, rather than as individual producers. Farmers made up almost 77 percent of the open-microphone speakers, and half of those who left written comments. Virtually all of the farmers who described their operations said they were from diversified farms producing row crops, usually including peanuts and/or tobacco, and livestock.

Active participants in the meeting included 11 representatives of farm organizations from the six-State region; six public officials; two teenage farm-family members in addition to the panel of FFA members; four representatives of nonprofit organizations involved in rural activities; three officers of cooperatives, both regional and local; two Department of Agriculture employees; a clergyman; an officer of an environmentalist group; a spokesman for a nonfarm business association; an agribusinessman; a banker; a professor of soil science; a freelance writer observing the hearings, and two persons who did not provide their occupations.

Most of those participants (48) were residents of North Carolina, with the next largest contingent from Virginia (13), followed by South Carolina (7), Maryland (4), the District of Columbia (2), and West Virginia, Delaware and Georgia (1 each).

Regional Profile

The host state dominates the region's agriculture, not only in terms of cash sales—$3.2 billion of the six States' combined $6.7 billion in 1978—but also in numbers of farmers.

North Carolina emerged from colonial period with a plantation structure along the coast and a pattern of small farms inland. The colonial assembly had prohibited tracts larger than 660 acres. In 1978, the State still ranked sixth nationally in the absolute number of farms—after Iowa, Texas, Missouri, Illinois, and Kentucky. Of the estimated 267,900 farms in 1978 in the six-State area, nearly 43 percent were in North Carolina alone. But the trend toward consolidation or straight-out loss of farms also is evident in the statistics. Just 3 years earlier, North Carolina had 17,000 more farms than it had in 1978, and ranked fourth in the Nation. The average farm size in 1978 was 114 acres, compared to a national average of 400 acres.

The black farm ownership has been a significant characteristic of North Carolina as well, with 28 percent of the operations in 1930 owned by blacks. But the decline in farm numbers nationally has fallen harder on minority producers, and the State is no exception. By 1969, only 11 percent of the farms were owned by blacks.

Although single-crop tobacco and cotton farms once dominated North Carolina's border areas, diversified operations have prevailed overall for many years. Shifts in the pattern have occurred in more recent years, however, as the regional broiler industry has become dominated by contract production.

For the region as a whole, which produces about 6 percent of U.S. farm sales, farming accounts for about 2 percent of personal income. Returns from crops were slightly higher than returns from livestock in both 1977 and 1978.

In terms of gross returns, tobacco is the leading farm commodity in the Carolinas and second in Virginia, while dairy products lead in Virginia and West Virginia. North Carolina is the top-selling tobacco State in the Nation, and among the top four States in sales of turkeys, peanuts, broiler chickens, and eggs. Among the other significant commodities of the region are hogs, cattle, corn, soybeans, and apples.

The American Farm Bureau Federation, the National Grange and the American Agriculture Movement (AAM) have chapters or headquarters in each of the six States. The National Farmers Organization (NFO) has a Virginia chapter.

Two of the 50 largest farmer cooperatives are located in the region. The problems of small-acreage black farmers, in particular, have attracted the attention or caused the formation of a number of private organizations to provide training, legal advice, and research on rural issues.

West Virginia has State-run farmers' markets in six cities, and direct-marketing experiments are underway in several other States as private, cooperative ventures. Maryland has a State program to purchase the development rights to farmland to preserve agricultural acreage for the future.

"The Family Farm"

At this hearing, few felt impelled to offer their own definitions of "a family farm."

A representative of the North Carolina Grange did note that national group's concept: an operation that requires about 900 worker-days a year, with one-half the labor provided by family members and the management provided by a family member.

A banker said it is, simply a farm owned and operated by a family.

A National Farmers Organization officer and Oak City, N.C., producer defined the family farmer in a context beyond accounting or economics: "(The family farm) is democracy and free enterprise at its best, a family running and working a business together, working together to produce food and fiber. . . . The family farmer is not the agribusinessman in town, the lawyer at the courthouse, the doctor at the hospital, the professional man in his office. He is not people looking for a farm to buy as a hedge against inflation, nor the person looking for ways to reduce his income tax while making a safe investment. This group also includes the multinational corporations, food-processing industries and vertical integrators. We family farmers look at all of these people as rapists of our environment . . ."

Range of Concerns

The participants at Fayetteville, like many in the other regions, more often than not saw farm prices, farmers' net income and the level of support prices as the principal problem in present-day agriculture. With one-fourth of the commenters raising it, Govern-

ment policies—especially those that seemed to favor larger operations at the expense of small and minority farmers—came close behind as a separate leading concern.

Unlike witnesses at many other hearings, however, those in Fayetteville appeared more reluctant to point out a single problem or suggest a single solution. Instead, most touched on a handful of trends and problems related to the structure of agriculture today and—often enough to note—despaired of any solution.

In addition to incomes and government policy, issues repeatedly raised in the testimony included the preservation of land for agriculture and its abuse by farmers; tax policy; the nature of large and corporate farmers; gaps in the marketing system; the direction of agricultural research; inflation in production expenses; the needs of the rural poor; who should be extended credit in farming; management of woodlands; energy supplies; details of the tobacco and peanut programs; the quality of rural life; access to Cooperative Extension Service assistance, and the ability to begin farming.

Prices

More than 35 percent of the witnesses pointed to inadequate prices—or, more precisely, net profits—as a key to trends in agricultural structure and farmers' frustrations with present policy. Many expressed their aspirations in terms, not just of trying to outpace production expenses on their farm, but of drawing even in their own eyes with their nonfarming fellow citizens.

"The overriding issue . . . is the ability of the family farmer to acquire from his total agricultural operation adequate income to support him and his family at levels comparable to similar-size families in his community," said the president of the North Carolina Peanut Growers Association, for example. Others wanted farmers to draw even with families in more distant cities, and one man said the standard should be the business community.

Another North Carolinian, who has been growing crops 33 years, left this written statement: "My foremost and overall concern has been the relative low prices which farmers have received for their products down through the years when compared with other earnings of other segments of our economy. . . . We are simply flying blind," relying on crop failures elsewhere or surprise increases in demand, "or some other unknown factor to provide us with an acceptable market price."

The peanut growers' representative agreed with a Maryland agricultural banker that profits "have a real bearing on structures." Neither was specific about the impact they saw, but the banker went on to say, "The challenge simplistically stated, is that we have to keep agriculture profitable. The question is how?"

"Our problem . . . is a lack of profit," said another North Carolina farmer, who advised prayer. A third-generation dairy farmer testified, "The biggest problem I see . . . is the fact that the farmer's income is not allowed to increase at the rate of inflation of all other commodities that he is having to buy and compete with."

Toward the end of the day, a diversified Emporia, Va., farmer summarized his impressions: "Ninety-five percent of those problems and questions can be solved by only one thing and that is profit in farming."

A Pembroke, N.C., farmer told his panel that, because of slow-growing profits, "I find it necessary to continually expand my operations in order to make any kind of decent living. . . . Persons engaged in agriculture are somehow expected to live or get by on the same returns year after year." A Maryland farmer said that farmers feel that "if we can add on a little bit more (land) . . . we can make a little better living."

A Pendleton, N.C., man who has farmed all his life, commented, however, that the expand-for-lower-costs approach does not always produce the higher net profits he and his neighbors are most concerned about. He said Extension agents, agribusiness interests, and others in recent years have emphasized increased per-unit productivity without "enough attention . . . to *net profit* to the farmers . . . Everyone likes to brag about high yields but fails to mention how much it cost in dollars and risk."

The peanut growers' representative said some of the most efficient area farmers are small operators, but insufficient returns force them either to take off-farm jobs or expand to keep net incomes constant. Also, he said, modern technology has forced many into expanding their operations to justify the expense of the equipment it generates. "Technology was forced into being because of low income from the farm production, which would not justify the high cost of labor, which increased beyond the farm's ability to pay, because of minimum wage laws and competition from local industries," he said.

Those few who suggested a cause of the low prices did so only by implication; they apparently saw the prices as deliberate government policy. For example, the Pembroke farmer commented, "If agri-

culture is ever to be anything other than a red-haired stepchild of the majority . . . Government policies must allow prices to rise freely in times of shortages, just as they are allowed to decline in times of surpluses. Prices ceilings should not be considered in the future structure." A National Famers Union official said Government policy has been "more concerned about leveling (price) peaks than leveling valleys." A North Carolina Farm Bureau spokesman said "politics and Government policies to provide consumers with quality goods at a relatively low price" led to the small profit margins "that have forced mechanization and consolidation of farm operations."

If the policies were oriented toward profit for farmers, the latter witness continued, farm numbers would stabilize. He added: "We cannot have a cheap food and fiber policy, social land reform, broke farmers, and plenty of food and fiber for the public at the same time . . . Farmers have the ability to make fair and honest decisions through their own voluntary organized efforts and will take the responsibility of determining their own destiny if given the economic incentive to do so."

In much the same vein, a Virginia dairyman-panelist said, "In a free enterprise system, (profit) is elementary to our vocabulary and fundamental to our entire economic structure . . . and this holds true for farmers just as it does for automobile manufacturers, oil companies or insurance corporations." If a way is found to provide "a reasonable profit," he continued, "we will have assured ourselves and our country a wholesome agricultural economy for the years to come."

The principle of "a reasonable return" appeared often in the testimony when participants suggested general solutions to the income problem. Most said production costs—or at least out-of-pocket cash costs per acre—should be fully covered by the market price or, especially in the case of peanuts and tobacco, by the Federal support price. Some said that, in addition to covering costs, the support price should include "a reasonable margin of profit"—again, relative to the net incomes of others in the community, other businesses, nonfarming urbanites, or the hours of labor exerted. A handful said the cost-of-production averages incorporated in grain and cotton target prices, and dairy, tobacco, and peanut loan rates, might be shifted from national averages to regional ones. A McBee, S.C., farmer said that setting loan rates at the cost of production should be coupled with mandatory acreage-idling programs, to thwart price-depressing overproduction.

Three witnesses said the Government should set a minimum support price on all commodities of 100 percent of parity. A West Point, Va., grain and cattle farmer said that, since dairy farmers are Virginia's most prosperous farmers, the 80 percent of parity support price they have should be broadened. "The milk legislation is the only farm program that is working," he said, "so let us give it a try for all farm commodities."

A Roanoke Rapids, N.C., farmer who described himself as "depressed, discouraged, confused and disappointed," proposed a more elaborate solution, beginning with price controls on all production materials sold to farmers and elimination of federal subsidies. Prices on commodities sold to the Soviet Union should be set three years in advance, on a cost-plus-profit basis, he maintained, and controls should be placed on agricultural shipping and marketing operations, with equal profit margins allowed for farmers and those agribusiness firms.

Finally, the peanut growers' association statement concluded, "Farmers and groups of farmers have the capacity of maximizing their ingenuity in supply input requirements through the utilization of cooperatives, competitive commercial businesses, and just plain hard-nosed negotiations." But, it added, this would not assure profits as long as "agricultural production policies and technology encourage surplus production."

Government Policy

Another problem viewed with nearly as much concern as that of "the prices" was "the Government." While prices more often than not were cited without identifying or agreeing upon the causes, but as having widely scattered effects, witnesses from several different perspectives pointed to Government policies and actions as clear problems in themselves as well as catalysts of other problems facing agriculture. In this category were the broader worries that embraced the Government as a whole—or the impressions of a department—as distinct from more narrow Government-related concerns stemming from the tax code, one agency, or one program, for example.

While the pluraiity of witnesses who addressed this issue said government was interfering with their economic lives or forcing "unnatural" shifts in the makeup of agriculture, those who spoke for the rural poor—especially black farmers—add both more personal and more social dimensions.

For example, a Georgia man testified to his experience in growing up on a farm when "it was

against the law (for his father) to go to an agricultural meeting" . . . and to subsequent experiences in working with black farmers and dealing with county-level USDA offices. He said black southern farmers, for example, learned about Government-promoted hybrid corn 5 years after their white neighbors. He later suggested that teams of USDA technicians—soil and farming experts, credit officers and teachers—reach out to those producers so they could acquire the skills to manage both their operations and the loans underwriting them. The programs must be tailored to the people's problems, he said, since these farmers ". . . have just never related their problems" to the Government office. . . . "It is like a hockey game and baseball game on the same field."

A representative of the Santee (S.C.) Production and Marketing Cooperative, speaking for "the rural poor" who are its members, said they are persons "who do not understand the redtape and how the government system works in this country."

At the same time, he continued, because his colleagues have less than 100 acres, as farmers they "have been ruled out by USDA" when farming was redefined in terms of sales, acreage and/or production, rather than in terms of how one makes a living. These men and women "are giving back far more (to the system) than they have received" in education or services, he said, and they are left unable to determine which Government agency plays what role in their lives. "This negative attitude is not lost on the people I serve," he said, adding that present USDA policies are "set up only to aid large producers" without serving small farmers.

The prevailing point of view toward the Government's role in agriculture, however, seemed one of resentment at direction without consultation, rather than neglect. A Dillion, S.C., farmer remarked: "I think the biggest problem facing us farmers other than low prices for our commodities is a sense of frustration. We are damn well put out. We don't have any say in anything . . . Let's get some true farmers up there (in Washington) and get the politicians and bureaucrats out of it as much as possible." Asked if the Government should be involved at all, he replied: "Hell, no. They cannot even run a post office, they cannot run a railroad, how are they going to run farms?"

On the other hand, Virginia's Commissioner of Agriculture saw the problem as one of misdirection. "Since the 1930's, policymakers have basically attempted to deal with a symptom—relatively low farm income—rather than the source of the problem—the misallocation of agricultural resources." In doing so, they do not account for "many additional cost factors that were not particularly relevant years ago," he explained.

A Laurinburg, N.C., man who has been farming 33 years, said: "Without question, Government programs, such as the allotment system, conservation reserve and set-aside programs have served to reduce surpluses, but seldom, if ever, have they been carried far enough to eliminate surpluses and be reflected in adequate prices. . . . The programs governing production goals are geared, we are told, to satisfy domestic and foreign consumption. In reality, they are consumer-oriented rather than farmer-oriented, providing cheap food and fiber for the consuming public with little regard for the sacrifice the farmer must make in reaching this goal."

From the perspective of the smallest southern farmers, for whom she organized a direct-marketing project, a North Carolina woman said studies of Government policy show that "almost all the (agricultural) innovations introduced by the U.S. Department of Agriculture in the last 50 years . . . have disrupted traditional rural patterns of cooperation and created vast migrations to the cities. Efficiency, or improvement of a narrow set of predominantly economic indicators, is usually given as the justification for the particular innovation. A broader range of social costs is rarely considered."

When innovations lead to such fragmentation and increased competition, she added, "the benefits accrued from them will usually fall disproportionately into the hands of the few individuals who are quickest or most able to adopt them." When the innovations require more cooperative problem-solving, the benefits are more likely to be distributed more equitably, she said.

U.S. Senator Jesse A. Helms of North Carolina, cautioned in a statement left for the record: "Weather conditions are still more to blame for imbalances in world agriculture than any man-made occurrence or program change, (so) we must be extremely careful lest we imply that easy panaceas are available to solve the farmers' problems."

Another concern was addressed by a Wilson, Va., farmer who is also a county planning commissioner: "I see that the USDA is not controlled by the American farmer," he claimed, when labor unions control the Department of Labor and oil corporations indirectly control the Department of Energy. "USDA is being controlled by everyone *but* agriculture, (so) the American farmer is turning away from Washington.

He is taking over and doing for himself what Washington, D.C., has failed to do for the American people. . . . We have no one to look to for leadership." Nations do not remain strong, he added, "by using agriculture as a whipping boy," because "real income comes from the land and our natural resources, not from economists and paper pushers."

The spokesman for North Carolina peanut growers, while he detailed many problems, remarked that, "Government programs designed to aid farmers have been the mainstay in retention of family farms, whether they be small or whether they be family-owned corporations or partnerships or a larger unit." He said the FmHA, for example, "has been of untold value" to beginning and expanding farms; the Rural Electrification Administration (REA) brought electricity to farmers previously denied luxuries; commodity and conservation programs "have been the communication link between the man on the farm and the farm-sympathetic Congress."

An officer of the region's largest cooperative, Southern States, said the Federal Government must decide where agriculture fits among the Nation's priorities, but it should also realize that farmers need "a minimum of regulatory harassment by arrogant Government bureaucrats demanding uneconomic expenditures (and) endless bookkeeping."

Several witnesses specified regulations of the OSHA and EPA as examples of this problem with ramifications for the structure of farming. One of them, the South Carolina Farm Bureau president, said Government-caused inflation and energy problems produce a cost-price crunch that forces farmers to pass their land to "stronger hands" who have already cut costs through consolidation and can bid more land away from smaller operators. The regulations contribute to consolidation, too, he continued, because the rules add costs without increasing potential income and smaller farms cannot afford financially to comply. Even though compliance might bring economies of scale, those who already have the management sophistication have the advantage, and a more centralized agriculture results, he concluded. The Virginia Agriculture Commissioner said that, since the regulations' goal is public good, the general public should help pay for compliance.

Most of the solutions suggested for "the Government problem," if any, were implied: do the opposite. More specific advice came from those who sought a federal advocate for farmers, or a narrowing of the department's mission:

- Since the 1.6 million smallest farms produce only 10 percent of the commodities, a Maryland dairy farmer said, they "certainly should come under some other department. . . . Certainly we have social programs and welfare programs to help in these cases. I think the Department of Agriculture should be definitely directed at the production of agricultural products, the marketing of agriculture products, and social welfare programs be under another department."
- "I would like to see more top USDA officials publicly defend the farm people in the future," commented a Pendleton, N.C., farmer nearing retirement. A Virginia dairy farmer advised, "Take the offensive and truly educate our policymakers, as well as the consuming public, concerning the state of affairs and how it directly affects everyone."

From among those who emphasized less involvement came advice to limit Federal spending to reduce inflation. Or, as a Pembroke, N.C., spokesman for Lumbee Indians and his county's livestock producers said: If inflation must be lived with, "simply give us a free hand in land ownership. Do not place ceilings on prices, do not burden us down with stifling regulations and continue to provide us with solid scientific and technical support."

Those primarily concerned with black farmers' difficulties suggested consolidating all agricultural program offices in a county in a single location, but with a regional orientation. That would "provide a wider and more efficient scope of technology to the farmers," they said, through staffs educated in an area's peculiar needs. Technical assistance, said another, is a key to the overall solution; government needs to be "helping them to produce more . . . helping them to utilize what they produce."

Land

The availability, condition, price and ownership of land were also among the principal points of discussion at the hearings. In Fayetteville, the emphasis was on the conservation of the land as soil—or lack of good practices for the long term—more than its cost and title. By a two-to-one margin, those who raised the issue or were asked to respond to it favor a legislated national land-use policy of some sort as a solution to erosion and declining soil fertility as well as urban sprawl."

"The time is now for a national land-use policy," said a Raeford, N.C., farm-chemical dealer and farmer, echoing an earlier statement by an officer of a regional cooperative who thought "it may be too late." The farmer said such a law would end production on marginal lands. "Trying to save the small

farm, the inefficient farm and the marginal-land farm is an impossibility," he continued, but land-use regulation "is in the national interest. We do not ask the individuals to be drafted if we have got to fight a war. . . . I think that it is an absolute must. I think it's more important than the oil crisis (and) the State or local governments can't handle it."

A Jefferson, N.C., man, who sought more attention by farmers to better management of their timber lots, said, "To satisfy the future needs of society, it would be desirable for all owners to practice some degree of intentional multiple-use management" with assistance from professional foresters. He also advocated a doubling of appropriations for the USDA forestry incentives program and assessment of property taxes on the basis of present uses of the land only.

A Baltimore-based agricultural banker commented: "One of the great issues facing agriculture today is the gathering sentiment that land really belongs to the people and that the farmer has only a stewardship right in the asset. It is a kind of socialistic mentality and it has an adverse effect on the farmer. It leads to the belief by politicians and consumers alike that the farmer has a responsibility to provide cheap food, that the economy can't afford escalation in food costs commensurate with increases in production costs. It is essential that the consumer understand that . . . he simply will spend more of his take-home pay in the foodbasket.

Yet, he, too, said that "indiscriminate use of land, resulting in an estimated disappearance of 3 million acres per year, is unacceptable." To maintain future cropland ownership by farm families, he said assured sources of credit must be available to them, along with profits.

An Eastern Shore poultry, grain, and alfalfa grower, who had been generally critical of the Federal role in agriculture, complained that the Maryland law providing for state purchasing of farmers' development rights did not assure that a neighbor would not sell instead to a developer. So he favored strict land-use laws, "because I've got to look for my grandchildren down the road." A diversified farmer from Fayetteville, who said he had bought some farms and lost some while watching prime land go for shopping centers, highway interchanges, and utility rights-of-way, commented: "We need some protection from taking farmland that we use to make our livelihood from."

"Government should buy certain farms and give an earnest young farmer free interest for 5 years and then put him in control. . . . Don't take ownership rights from the farmer. This is supposed to be a free country. . . . The State or Federal Government can purchase at a fair price, then sell it under control, at auction or bid or point systems," said a 1,000-acre Middleton, Del., grain producer, opposing restrictive zoning as an alternative way to preserve farmland.

A Lawrenceville, Va., dairyman, when asked about the Federal role in protecting farmland for the future and controlling present erosion, replied, "It is hard for me to believe that we will let what does seem to go on in some places happen. I just cannot conceive of true, dedicated farmers allowing this to happen." He said that strict Federal guidelines could be imposed on land not being farmed but farmers instinctively would improve their holdings: "True farmers do not allow the soil to wash away and erode."

A Raleigh, N.C., Federal Crop Insurance employee left a note after the hearing, saying, "One of the most vital (needs) is the issue of land use. A statement was made that 'farmers love the land and would not let it be used for any other purpose than for growing crops . . .' I strongly disagree with this statement." Farmers in subsurban-growth areas, he said, such as his native northern Virginia, find it too difficult to pay high county taxes or resist "the ridiculously high sums that contractors offer for a section of their land."

Another advocate of a land-use program, also a USDA employee, commented, "While a few landowners are preserving the soil, most are not. Some are selfish, others simply do not have the financial resources."

A South Carolina farmwoman argued that the pressure on the land stems from low farm prices. A farmer's inability to pay debts on time sets off a chain of borrowing throughout the economy that makes land the only solid inflation hedge, "so everybody wants some."

A livestock producer from Darlington, Md., was among those opposing land-use laws, saying, "I don't believe that we in the farming industry want anybody at the federal level to dictate to us our profession." A grain and soybean farmer from Elizabeth City, N.C., testified that he thought a network of Federal agencies and private rural-issues activists were "conniving" to break up large agricultural landholdings. They are, he said, "challenging the basic property rights of us, the farmers, the very people whose taxes pay for their welfare programs. . . . We do not need these do-nothing groups telling us what to do in agriculture."

If all categories of citizens were involved in making ownership and conservation decisions, an

Efland, N.C., dairyman and county farm leader said, then land-use ordinances would help. But farmers are being shut out of the policy decisions, he said, as officials seek to ensure for city residents "a very lovely and comfortable place to come out and picnic in. . . . If (anyone) comes on my property and tells me that my land can only be used for farming, the crisis in Iran is going to look like a lady's Sunday afternoon party, because they don't have the legal right to do so." He did endorse programs under which Governments bought a farm's development rights.

A soil science professor from the same State had testified shortly before that Federal Government involvement in soil quality is appropriate because "maintaining our prime farmland and keeping it in a state of productivity is of national concern. It is for the public good, not just for the private owner or user." He called for a presidential order preserving prime farmland for farming and increased technical and tax-break aid to farmers for conservation. He concluded, "I think some decisions will be made that will go against the grain of all of us as a matter of independence and freedom."

Government land trusts and low-interest loans would be available to young farmers, and Federal projects should respect both prime lands and the air and water quality that sustain it, a Sierra club officer said.

But a Pembroke, N.C., farmer speaking next, said, "Farmers in my area wish to continue to have complete freedom to sell or buy farmland as they choose, with no restrictions ever to be placed on the amount of land that a successful farmer can purchase or develop." At the same time, however, competition for land from foreign interests is "extremely unfair . . . and should be regulated very strictly," he said.

Tax Codes

About a dozen witnesses said Federal tax laws work against smaller farmers when they are active, and to the advantage of larger operators who have cash to spend on deductible investments. At best, they said these laws disrupt plans to pass on land to their children, as farmers, when they retire or die.

Some noted that the tax burden, like other economic forces, falls harder on black farmers. Two said that local property taxes exert heavier pressures than income or estate taxes.

Several said the tax codes in general penalize farmers for their livelihood, that any profits made are "confiscated" through inheritance levies. The complexity of the codes, others commented, prevents prudent planning in some cases and makes other farmers susceptible to fraudulent schemes.

Proposed solutions were about equally divided between: changes that would remove the advantages of large operators and nonfarm investors seeking tax shelters, or give farmers tax tools enjoyed by other businesses; adjustments that would eliminate breaking up efficient farm units in order to pay estate taxes; and special rates for young farmers, especially blacks.

"Exhorbitant taxes and exceedingly complicated legal procedures are still an obvious stumbling block to an orderly transition," a Lawrenceville dairy farmer said. The Middleton grain grower suggested dropping sales taxes on farm machinery. A West Point, Va., grain and cattle producer suggested that only those with 85 percent of their total net income from farming be allowed to take farm-related losses off their income tax obligations. A Cove City, N.C., dairyman active in improving private woodlands management, called for changes in capital-gains rules and the limits on deducting reforestation expenses, to provide incentives for greater timber production that would bring in more taxable revenues in the future.

Marketing

Farmers' problems with marketing their crops and livestock also were prominenty mentioned at Fayetteville. Most comments about marketing included general advice on the need to maintain and expand export demand and the "irregular" posture of producers in today's economy. For example, a longtime Laurinburg, N.C., farmer commented—after noting that growers buy at set prices and sell at "what they give me"—"I know of no other sizable industry in the United States that markets their products in such an unorthodox manner." He put the blame on overproduction nullifying bargaining power.

A State agriculture commissioner added, "Agriculture is perhaps the only remaining large industry that continues to operate basically under the market conditions of pure competition. All efforts must be oriented to ways to keep this market structure purely competitive. However, new ways must be found for agriculture to interact with those industries from which it purchases farm inputs."

Several other participants were more concerned with new ways for farmers to interact with those purchasing from them—or, more precisely, expansion of direct-marketing opportunities for small farmers. As a Faison, N.C., farmer noted, they cannot sell directly

to supermarkets unless they grow enough to attract a contract. He left for the record two studies by the North Carolina Agricultural Marketing Project—a produce-selling cooperative of small farmers. One advocated such cooperatives as an alternative for marketing fruits and vegetables that not only helpd growers but also shortcircuits the energy consumption of the normal processing and transportation complex—which is increasingly unable to deliver "quality, low-cost food." The executive director of a sharecroppers support group said the department could use its knowledge to help farmers secure greater access to local markets.

The Southern States Co-op official said the best way to help farmers with marketing "is to encourage the development of more farm cooperatives, particularly in marketing and purchasing." The Middletown, Del., grain farmer said farmers' marketing performance is poor because of their lack of options, inability to pay for appropriate vehicles of their own, and insufficient time to find a better way.

"Big Farmers"

The personal and business natures of "big farmers"—a common label that in most cases referred to absentee nonfarming landlords and corporate farmowners rather than to acreage—also came in for repeated attention from participants, who nearly universally described themselves as small farmers.

A few comments were structure-related observations; that 40 acres of peanuts were necessary to justify the expense of modern harvesting and curing equipment, or that research on crop hybrids is oriented toward big farmers' expensive machines rather than taste, for example.

Far more were along the lines drawn early in the day by the North Carolina National Farmers Organization president: "They buy the land, then look for someone like me to do the actual farming. They do not want to spend any money to keep the land in good productivity or to prevent erosion. They want to draw off the wealth of the land and leave nothing. They are rapists! . . . (They) have no respect for the land, the environment, free enterprise, or people."

A 14-year-old Clinton, N.C., farmer's son, living on a 340-acre operation, said, "If the big farmers wipe us small farmers out, I will have nowhere to turn."

Consumers are threatened as well, some said. The North Carolina peanut growers' spokesman said ultimate control of food production by a few large farmers could "drastically reduce or strangle the supply lines to the consumers."

Comparing food-processing corporations with major oil companies, the NFO farm leader added, "Try parking your stomach on even or odd days!" Asked if large farms should, therefore, be inhibited or even prohibited, he replied: "When you go infringing on somebody else's freedom, you also infringe on your freedom. This is a basic concept with all farmers. . . . Democracy is our freedom being infringed upon with our consent." He proposed a tax code barrier to "tax-loss" farming, as a way to thwart agricultural conglomerates' forcing up food prices. The North Carolina Farm Bureau head said, however, that performance is more important than structure. Governor Hunt suggested some limits on size might be needed, but the more important element is "competition within agriculture" that tax-loss farmers undercut.

One of two witnesses to say his operation exceeded a few hundred acres said his size is necessary "to get enough return for a livng wage." He questioned the label: "This farm supports three families, so is it a large farm or is it a family farm?"

Other Issues

Several other problems or issues were repeatedly mentioned, including:

Inflation: It is closing the door to the future for small farmers competing with syndicates (a North Carolina State legislator and farmer); is "ruining" those barely able to still compete with irrigated California farms (a Burgaw, N.C., vegetable grower); and, is pricing new equipment out of reach (a veteran Laurinburg, N.C., producer).

Research: In the past, federally backed research that improved productivity was responsible for keeping farms alive, said a Kelley, N.C., dairy farmer. But the executive director of a Durham, N.C., land-issues group said a "bigger is better" philosophy, shared by land-grant university researchers and equipment manufacturers, has eliminated specialized machinery for smaller farms. The resolutions from the county commissioners said the programs have been "inappropriate to the conservation of soil and water quality and the development and maintenance of a productive family farm system."

The South Carolina Farm Bureau president said technological advances are "the primary force behind the consolidation of farms," and "the one thing that could kill (the family farm) is an attempt to contain it in the mold of the past, a past that has been invali-

dated by the technological changes of the 20th Century." For the future, witnesses who opposed past policy suggested redirection or a new emphasis on small farmers' needs, while others wanted more work on energy sources and ways to out-distance inflation or population growth.

The poor: By ignoring the needs of the poorest farmers, agricultural policy has sent them off the farm to "urban misery," testified a spokeswoman for a sharecropper's group. She added it is irresponsible to deny help to those seeking rural self-sufficiency, and later dehumanize them in the city with handouts after they fail. When 24 million persons cannot buy a nutritionally adequate diet, she concluded, is the production system "efficient"?

Later, a Durham supporter of farm labor unions testified that, for 5 million migrant farmworkers, "fear, intimidation and powerlessness inhibit them from attempting to change their lives." The Government should help stop this "shameful exploitation" for which she said agricultural producer interests are responsible. The still-active "little poor farmer is so fractionated until he doesn't know where to start or end," said a Georgia man and former county agent. He advocated central offices for agricultural programs, without "merely increasing the budget of the big political country club-type agricultural organizations." The effects on education, farming ability and willingness to seek help of generations of racial segregation are deep, he said later.

Energy: Most of those addressing the fuel-supply crunch expressed skepticism that food producers would truly be assured of supplies before larger segments of the population. Some suggested more attention to on-farm gasohol production or production of vegetable oils for fuel. A Whitakers, N.C., farmer outlined a plan for energy self-sufficiency on a grain and livestock farm.

Tobacco and peanut programs: About a half-dozen witnesses praised the programs as the backbone of their operations but said the support levels need to be raised, to match unanticipated production-cost increases.

Credit: Most who mentioned credit said it was sufficient for established farmers, and a continuing federal role "is an absolute must." But two said it is difficult for black farmers to secure. A 1,000-acre grain grower said the Farmers Home Administration unfairly discriminates against the efficient farmer. Some suggested better federal loan terms than now for cooperatives and beginning farmers, but a peanut producers' spokesman warned against "easy credit in unsound cases." U.S. Senator Helms said a farmer needs limited, "carefully managed lending and credit programs . . . that allow him to borrow and expand without making him dependent upon taxpayer subsidies."

Small woodlands management: Four participants addressed this question, urging cooperatives of timber-lot owners to compete with larger wood-products firms for markets, and more funds and technical assistance. They seek to shift landowners from seeing trees as a source of immediate cash, to seeing them as a resource that, properly managed, can provide both long-term income and soil conservation.

The Cooperative Extension Service: Several commenters specifically singled out the Federal-State Cooperative Extension Service as either the source of all the advances they have made as farmers or, as the Georgia man put it, an insensitive "highly political operation that, in my experience, has not dealt with the problems affecting small farmers and particularly the black farmer." The former suggested more funds and use of the extension network; the latter, a policy reversal.

Beginning farmers: Governor Hunt suggested a special loan fund for beginners with excellent potential, to be disbursed by local farmers' committees. The few others who explicitly addressed the beginners' problems shared the view of the Southern States Co-op official: "It is almost prohibitive, of course, for young people to think about going into farming under the present conditions. About the best chance you have is inheritance."

Values and Beliefs

Throughout the hearing, as can be seen above, participants addressing a particular issue related to it their personal values and perceptions of U.S. cultural imperatives.

As farmers and as members of American society, they also spoke to those fundamental values as separate issues and characteristics that, they said, policymakers should keep in mind when considering American agriculture, its roots in the political and economic systems, and its future place.

If small farms are exterminated, said a Whitakers, N.C., farmer, "this country will no longer have all of the things which we have more or less considered our birthrights, so anything which can be done in the preservation of (them) is an object unto itself."

"The small farmer, the family farmer who lives on land, he grows to love that land. He . . . has a personal attachment to it" as "a source of life" rather than merchandise, a Sierra Club leader testified. A

student of the North Carolina produce market project did not want a complete shift from supermarket chains. But he said a healthy small-farm network, marketing directly, sustains a "scale of operation and a cultural tradition" of farmers as caretakers "of family, community and the land, as well as (exercisers) of practical economics. Both are essential to society. . . . The way we enact our agriculture is a statement about our values as stewards of society."

"Consumers cannot eat and wear social considerations; neither can farmers pay their bills with social considerations," responded the North Carolina Farm Bureau president. "The right to own, use, and sell property must be protected as a basic human right," he added, "(but) we need to get busy doing something about monopoly power."

A Raleigh, N.C., man who had protested the pressure on farmland by growing suburbs concluded: "We must carefully consider our alternatives and really see if building a school is of more interest than keeping a field open for raising corn." A man farming in the North Carolina mountains since the 1920's said, "The preservation of the family farm is our last best hope. A man's greatest goal is to protect his family and leave something to posterity."

To a longtime worker with the rural poor, no standard for a future structure of agriculture could be higher than a goal "of providing nutritious food at a price affordable by all Americans." Another panelist testified: "The structure of American agriculture rests on a foundation of values. Rural families have always lived their lives based on hard work, self-reliance, confidence, democratic control, cooperative self-help, freedom of choice and stewardship and tenure on a piece of land. . . . The decline of rural America has brought with it a gradual undermining of the value system . . . upon which American agriculture and American society was built."

Values now promoted by Government, television programming, and advertising, he continued, reinforce a passive acceptance of big Government and big business, "solving all our problems and fulfilling all our fantasies." Rural people distrust both big business and big Government, he said. They are left with "a devastating mix" of anger, frustration, and apathy.

Mailed Comments

Like the hearing itself, the mailed comments from the Fayetteville region included a wide array of issues without an overwhelmingly predominant concern. Nearly one-half of the 81 letters came from West Virginia. Those, and comments from North Carolina, comprised two-thirds of what was received.

Numerically, the mailed comments were led by citizens who urged increased funding for the Agricultural Conservation Program (ACP) and a return to greater local discretion over the types of practices eligible for federal-individual cost-sharing grants under it. This volume resulted in large part from more than a dozen, nearly identical letters from two West Virginia counties, but similar sentiments were expressed by writers from each of the six States.

Concerns over a shrinking supply of farmland and the condition of what land is now in crops—but without the widespread discussion of land-use laws heard at the hearing—also were repeatedly expressed by correspondents. Statements that higher farm prices or less inflation in production costs would solve many agricultural structural problems also were frequent. The perceived targeting of government programs toward ever larger producers, the ways in which Government regulations increase production costs, and desires to "cut out some of the middlemen" in the food processing and marketing chain likewise received frequent attention. The positions taken generally echoed those expressed at the meeting in roughly the same proportions.

Consequently, the mail more often than not was characterized by strong voices—occasionally, just one—who expressed in some detail a point of view or a problem either not expressed at the meeting or mentioned only in passing.

The present: For example, a Maryland state official saw agriculture's future as "a dream come true." He acknowledged that farmers' increased productive ability makes farmers as individuals more vulnerable as they specialize and has cut the number of farmers collectively in half "in only 15 years." But he saw the trends in a positive light: "Fewer in number and operated in many cases by highly efficient entrepreneurs who use some of the world's best equipment, the typical commercial farm is a marvel . . . The size and cost of machinery, the capital-land substitutions, credit availability, even the Federal farm support programs, are forcing the family farmer to grow."

In developing any new policies, the official wrote, "we can no longer view agricultural policy as a separate entity related to the domestic economy only through its impact on special interest groups who may gain or lose through the actions that are taken." The national interest requires stable markets,

more production and "whatever measures are necessary to preserve agricultural land," he said. "We must continue to preserve the family farmer and a dispersed system of land tenure" from the encroachment of absentee or corporate landlords.

Farmworkers: As another example, a spokesman for Farmworkers Legal Services of North Carolina put the problems of that segment of agriculture in a broader context: "What hurts farmworkers is a plantation economy and the attitudes it spawns: (for example), racism, resistance to change, xenophobia, a padrone system of dispute resolution, the crew-leader system, the piece-rate method of payment, as well as powerlessness, dependence, ignorance, resignation and misplaced loyalty on the part of workers."

This Newton Grove, N.C., lawyer said an estimated 35,000 to 40,000 migrant laborers in the state need to be educated on their rights to various Federal food and welfare entitlements, as a first step toward independence and control over their own lives. Government programs now provide relief without addressing the underlying problem of powerlessness, he said, but the Department of Agriculture should "resist propaganda from agribusiness which takes the form of complaints about excessive Government regulation and injury to the family farm." North Carolina family farms, he maintained, are closely held corporations with millions of dollars in assets and "should be treated as such."

Marketing: From different viewpoints, several correspondents expressed their concerns with present marketing systems. A number stressed a need to increase foreign trade, with the Pendleton County, W. Va., Farm Bureau president saying greater exports could eliminate the need for any Federal farm price or income supports. Others were more concerned with markets closer to home, as ways to increase smaller growers' direct sales.

For example, a North Carolina legislator who had earlier worked 37 years for USDA, wrote: "The inflated economy and high fuel costs have made it impossible for small farms, with normal small trucks, to travel very far to market with produce or livestock." All levels of government, he suggested, should help with the capital investment necessary to establish "markets in strategic places, with a radius of 35 to 40 miles, where hundreds of small trucks can concentrate produce, get it graded and packed and sent on to metropolitan markets on large tractor-trailer trucks." Such a network, he added, would sustain part-time farmers and reduce farm families' need for outside jobs, food stamps, and selling off small parts of their land.

Small farms could produce the labor-intensive, high-income-per-unit crops with the larger acreage devoted to more mechanized crops, under his vision.

Seven North Carolina counties, with State help, have begun such a scheme. It includes a livestock auction barn, a feeder-pig sales barn, a vegetable packing shed, and a community cannery, with an attached crafts center selling goods on consignment for more than 500 persons, the legislator noted.

An Andrews, N.C., spokesman for the Conservation Council of North Carolina, who is involved with that regional market, said Government aid is needed to undergird such efforts. The farmers' resources are insufficient to take advantage of the investment-tax provisions, he said, but the Government could help by supplying the funds for rudimentary storage (a roll or two of wire mesh and roofing, plus the lumber, he suggested), solar driers, grinders, baggers, shellers, cheese presses, and other processing equipment suitable for the market.

Several commenters urged USDA help in setting up cooperatives that would provide price discounts on supplies, volume selling into larger markets, land-buying credit, and clear individual advice on planting to meet the demand.

Pressures: The Andrews Conservation Council officer said farmers who seek security in contract-poultry operations must borrow money to erect buildings to the buyer's specifications, and they then "become a captive labor force that works at a very low real hourly wage" without company benefits. A parallel force toward overcapitalization and "burdensome debt" is generated by farm credit agencies that are oriented to advanced technology and equipment, he wrote.

Sales of the farms to developers are a typical next step, he maintained, adding that problems related to land use and tax-code inequities must be solved or "none of the other assistance will be enough to halt the destruction of the family farm." He concluded: "When there are only landless workers on corporate and estate farms, we can expect the same sort of un-American social unrest, violence and radical land-reform movement as exist in other countries where only the wealthy can own enough land to farm."

Social effects: A county Extension agent in Murphy, N.C., expressed a similar view, saying that the competitive advantage of "tax-loss farmers" not only subsidizes the rich but also "tends to further hasten the demise of the smaller farmer, with the undesirable side effects of a rigid social class of farmers. This trend puts ownership in the hands of a few absentee owners and the operation of the farm

with hired workers and managers is similar to a factory. Not only is this a dehumanizing, detrimental social effect but, in many cases, efficiency of production is very low."

On the other hand, a Federal rural services specialist in Greenville, N.C., said that economics alone should be the basis for developing market power for smaller farmers. He said that "social concepts should not be cranked into the original planning process" for the equipment-owning small-farm co-ops he advocated.

Other comments received included:

—Aside from assuring with a price floor the "out-of-pocket, potential costs of the average farmer," USDA should "stay away from the food market place," wrote a North Wilkesboro, N.C., banker.

—"Our prime and unique farmlands must be removed from the speculative market with its current owners duly compensated, and the lands placed where they trade for their agricultural value only. . . . I do not suggest any socialist measures, only those that would work in our system," commented a Jefferson County, W. Va., dairy farmer.

—"With the gasoline shortage, it will be better for the United States if more meat and milk are raised near the population," said a St. Albans, W. Va., man.

—A Whitakers, N.C., farmer who had participated in the open-microphone part of the meeting later suggested that 25 percent of land-grant universities' federal research funds go directly to innovative farmers, since "most of their ideas come from some farmer with limited education but a great insight into nature."

—A Waverly, Va., couple, dependent for most of their farm income on their peanut crop, complained about local peanut graders' work: "It seems a crime for a farmer to have his whole year's crop dependent on some young inexperienced uncaring nonfarm wife whose main concern is to make enough money to buy a little furniture. . . . We are not greedy or poor managers; we are just caught in the middle (of) controlled prices for our products and no (price) regulations on any product we must purchase."

Panelists: Willey Andrews, Faison, N.C., North Carolina Agricultural Marketing Project (Farmers Fair), farmer; William C. Beach, Oak City, N.C., National Farmers Organization, farmer; Jack Beale, Waverly, Va., president, Virginia Peanut Growers Association, farmer; William Dial, Pembroke, N.C., farmer, Lumbee Indian representative, president, Roberson County Livestock Producers; Edward Fuchs, Preston, Md., farmer; German Glasscho, Greeleyville, S.C., manager, Santee Production and Marketing Cooperative; Charles Jackson, Spiveys Corner, N.C., Future Farmers of America; Rueben Johnson, Washington, D.C., director of legislative services, National Farmers Union, farmer; Alfred Leach, Raeford, N.C., farmer, Farm Chemicals Inc.,; Emmett B. Mathews, Lawrenceville, Va., farmer; Lloyd M. Massey, Greensboro, N.C., master, North Carolina State Grange, farmer; Harrison Miller, Columbus, Ga., representating the United Presbyterian Church of the United States and New Communities Inc., farmer; Paul Mullinix, Richmond, Va., group vice president-operations and services, Southern States Cooperative; Tony Peacock, Goodwin, N.C., Future Farmers of America; Joseph Royal, Roseboro, N.C., Future Farmers of America; J. Howard Settle, Baltimore, Md., senior vice president, finance and administrative services, Farm Credit Banks of Baltimore, former farmer; Denny Shaffer, Fayetteville, N.C., treasurer and director, the Sierra Club; John W. Sledge, Raleigh, N.C., president, North Carolina Farm Bureau; Marshall Steward, Dunn, N.C., Future Farmers of America; Kathryn Waller, Charlotte, N.C., executive director, National Sharecroppers Fund and the Rural Advancement Fund; Kenneth Williamson, Durham, N.C., executive director, North Carolina Land Trustees of America, Inc.; Polly Woodham, Bishopville, S.C., spokeswoman, Women Involved in Farm Economics; Billy Yeargin, Raleigh, N.C., for Adron Harden, president, Tobacco Growers Information Committee Inc.; and James Yoho, Alma, W. Va., farmer.

Open Microphone: Raymond Armacost, Jr., Upperco, Md., farmer, vice chairman, Maryland Extension Advisory Council; Billy Bain, Dinwiddie, Va., farmer; Harry S. Bell, Ward, S.C., president, South Carolina Farm Bureau Federation, farmer; R. W. Blanchard, Jr., Turkey, N.C., farmer; Jerome J. Booker, Fork Union, Va., supervisor-elect, Fork Union, member of the board of directors, Virginia Water Project; Phil Britton, Florence, S.C., farmer; Carlton Butler, Carrsville, Va., farmer; Chester Carter, Stony Creek, Va., farmer; Maurice G. Cook, Raleigh, N.C., professor of soil science, North Carolina State University, president, North Carolina Soil Conservation Society of America; R. S. Ellis, IV, Buckingham, Va., farmer; Jonathan Evans, Jr., Fayetteville, N.C., farmer; Sidney R. French, Cove City, N.C., farmer; Milton Green, Kelly, N.C., farmer; Frank Holland, Jr., Suffolk, Va., farmer; Henry S. Holloway, Darlington, Md., vice president, Maryland Farm Bureau, farmer; Wylie C. Johnson, West Point, Va., farmer; G. Ed King, Jr., McBee, S.C., farmer; Larry Larabee, Elizabeth City, N.C., farmer; Milton H. Lewis, Whitakers, N.C., farmer; Ben Lloyd, Efland, N.C., Orange County Farm Owners Association, farmer; John McCullen, Mt. Olive, N.C., farmer; Robert L. McLaurin, Jr., Dillon, S.C., farmer; Sue McLaurin, Dillon, S.C., WIFE; Maxie B. Moore, Emporia, Va., farmer; Joan Papert Preiss, Durham, N.C., chairperson, Triangle Friends of the United Farm Workers; Harry D. Thomas, Burgaw, N.C., farmer; State Rep. Henry Tyson, Fayetteville, N.C., farmer; Gordon Williams, Godwin, N.C., farmer; Jack Williams, Faison, N.C., farmer; and Jim H. Winslow, Elizabeth City, N.C., farmer.

Written Comments: Charles Albertson (city not provided), Plant Protection and Quarantine Program staff, Animal and Plant Health Inspection Service, U.S. Department of Agriculture; Thomas Jefferson Allen, Roanoke Rapids, N.C., farmer; J. Larry Barbour, Clayton, N.C.; David T. Bateman, Rocky Mount, N.C., president of N.C. Peanut Growers Association; Jefferson C. Boyer, Faison, N.C., North Carolina Agricultural Marketing Project; S. Mason Carbaugh, Richmond, Va., Commissioner, Virginia Department of Agriculture and Consumer Service; J.C. Culbreth, Lumberton, N.C., farmer; T. N. Dixon, Sr., Scotland Neck, N.C., farmer; G. E. Fisher, Pendleton, N.C., farmer; James A. (Jim) Graham, Raleigh, N.C., Commissioner, North Carolina Department of Agriculture; Honorable Jesse A. Helms, United States Senator from North Carolina; Tom Jackson, Dunn, N.C., farmer's son; Granville Maitland, Wilson, Va., farmer, chairman, Dinwiddie County Planning Commission; S. Woodrow McCoy, Cove City, N.C., farmer; John M. McLaurin, Laurinburg, N.C., farmer; Robert F. McNeill, West Jefferson, N.C., retired agriculture teacher; W. Daniel Orr, Raleigh, N.C., Federal Crop Insurance Corporation; Alan Parker, Clinton, N.C., farmer's son; Henry

Retz, Middleton, Del., farmer; Lola Smith, Washington, D.C., freelance writer; William Ashley Smith, Kinston, N.C., farmer, president, Lenoir County Young Farmers Organization; Roberta Waddle, city not provided; Barbara Wallace, Faison, N.C., executive director, North Carolina Agricultural Marketing Project; and Gilbert J. Ward, Jefferson, N.C.

Mailed Comments: Ellet Adkins, Huntington, W. Va.; Thomas J. Allen, Roanoke Rapids, N.C.; John R. Arnold, Jr., Romney, W. Va.; H. Gray Ashburn, Jr., agricultural representative, the Northwestern Bank, North Wilkesboro, N.C.; Keith W. Bailes, Capon Bridge, W. Va.; Emmett Basham, Spanishburg, W. Va.; Linda S. Bettinazzi, Glen Dale, W. Va.; Cecil E. Bird, Athens, W. Va.; Fred G. Bond, general manager, Flue-cured Tobacco Cooperative Stabilization Corporation, Raleigh, N.C.; Zubecca Bowman, Vale, N.C.; Carlton N. Callahan, Easton, Md.; Wayne A. Cawley, Jr., Secretary, Maryland Department of Agriculture, Annapolis, Md.; Carvel Childres, Salt Rock, W. Va.; Haile Chisolm, Garrett Park, Md.; H. S. Conrad, president, Pendleton County Farm Bureau, Fort Seybert, W. Va.; Dewey L. Cooper, Jr., Elm City, N.C.; Cecil Croy, Princeton, W. Va.; T. B. Cunningham, president, South Carolina Association of Farmer-elected Committeemen, Darlington, S.C.; W. F. Davis, president, Horry-Conway Farm Bureau, Galivants Ferry, S.C.; Scott DeJarnett, Salt Rock, W. Va.; Norman Denning, Jr., Four Oaks, N.C.; Mr. and Mrs. William J. Ellis, Waverly, Va.; State Representatives Jeff H. Enloe, Jr., Franklin, N.C.; Sam L. Fairchild, Reidsville, N.C.; Richard K. Fishburn, Forest, Va.; Robert E. Flint, Elkview, W. Va.; Hank Fonda, Conservation Council of North Carolina, Andrews, N.C.; Charles E. Fry, Floyd, Va.; Homer Frye, Barboursville, W. Va.; William S. Geimer, Farmworkers Legal Services of North Carolina, Newton Grove, N.C.; Roy Greathouse, Glenwood, W. VA.; Cynthia Guyer, coordinator, the Agriculture Project, Conference on Alternative State and Local Policies, Washington, D.C.; Andy Hall, Columbia, S.C.; John D. Heavrner, Upper Tract, W. Va.; Don Hesse, Maysville, W. Va.; Earl F. Hill, Chapmanville, W. Va.; Alva Hodges, Salt Rock, W. Va.; Paul Hodges, Mt. Airy, N.C.; Ralph Holton, Salt Rock, W. Va.; Honorable James B. Hunt, Jr., Governor, North Carolina, Raleigh, N.C.; Harold Johnson, Salt Rock, W. Va.; Josh Jordan, Milton, W. Va.; Lawrence Judy, Petersburg, W. Va.; Henry Karnes, Spanishburg, W. Va.; W. Mason Kingsberry, Whitakers, N.C.; Darrell R. Knuffke, executive assistant to the under secretary, U.S. Department of Interior, Washington, D.C.; Paul Konore, Solar Greenhouse Employment Project, Chapel Hill, N.C.; George J. Kriz, administrative advisor, School of Agriculture and Life Sciences, North Carolina State University, Raleigh, N.C.; Robert F. Lederer, executive vice president, American Association of Nurserymen Inc., Washington, D.C.; Milton H. Lewis, Whitakers, N.C.; Ruth C. Long, Romney, W. Va.; James L. Louthan, Jefferson County, W. Va.; Sister Evelyn Mattern, chairperson, North Carolina Council of Churches Migrant Ministry Committee, Raleigh, N.C.; Mrs. Peggy Mauz, Alexandria, Va.; Elvin McCallister, Salt Rock, W. Va.; O. F. Miles, St. Albans, W. Va.; Elvin Miller, Whitesville, W. Va.; Lonnie D. Miller, Danville, W. Va.; Russell and Maysel Murphy, South Charleston, W. Va.; Graciela Olivarez, director, Community Services Administration, Washington, D.C.; John Proellochs, Wellsburg, W. Va.; Herman C. Rohrbaugh, Maysville, W. Va.; Jacob T. Rudolph, Sr., Yellow Spring, W. Va.; Robert L. Scarborough, Eastover, S.C.; Dr. Paul E. Schleusener, office of the deputy director for cooperative research, U.S. Department of Agriculture, Washington, D.C.; Jo Ellen Scott, Glen Easton, W. Va.; Dr. M. Snow, Damascus, Md.; Ronald L. Spencer, Benwood, W. Va.; Henry Spurlock, Lesage, W. Va.; Roger Spurlock, Lesage, W. Va.; Eugene M. Sutton, Farmer Cooperative Service, Greenville, N.C.; Stephen Sziarto, Slanesville, W. Va.; Barbara Wallace, director, North Carolina Agricultural Marketing Project, Faison, N.C.; Wilma C. Warren, executive director, Virginia Water Project, Inc., Roanke, Va.; Joseph Webb, Elm City, N.C.; J. E. White, Jr., Scotland Neck, N.C.; Tom D. Willey, Murphy, N.C., horticultural extension agent, School of Agriculture and Life Sciences, North Carolina State University, Raleigh, N.C.; Jack Williams, Faison, N.C.; and Walter L. (Dick) Williamson, Kenly, N.C., president, Wilson County Farm Bureau, chairman, Governor's Tobacco, Seafood and Forestry Advisory Board.

Huntsville, Alabama
November 29, 1979

(Alabama, Florida, Georgia, Kentucky, Mississippi, Tennessee)

For many of the 600 or more people who joined Secretary Bergland, Assistant Secretary P. R. "Bobby" Smith, Alabama State Commissioner of Agriculture McMillan Lane, and other USDA officials in Huntsville, Ala., on November 29, this meeting on the structure of agriculture continued a dialogue begun two winters ago when the American Agriculture Movement (AAM) first took its parity case to Washington. A number of those in Huntsville's Werner Von Braun Civic Center prominently displayed insignia of the AAM, an organization strong among farmers in the six States from which participants came—Alabama, Florida, Georgia, Kentucky, Mississippi, and Tennessee. But the 20 scheduled speakers and 32 commenters who participated during the open mike session presented diversified perspectives on the agriculture of their region—an agriculture which accounts for about 12 percent of farm sales nationally.

Counting the 12 who handed in written comments without speaking, a total of 64 individuals presented their views that day. Of those 64, 45 identified themselves as farmers or farm family members in the region. Some also spoke for organizations in which they were active. All six States were represented by a minimum of two farmer-speakers. Nearly half of the active participants specifically identified themselves as being from Alabama. Two speakers identified themselves as being minority farmers; one identified himself as a part-time farmer. Two speakers specifically mentioned being the fifth generation in their families to work their land. Family partnerships were mentioned by several as the form of organization on their farm.

Agribusiness, both large and small, had its representatives—an equipment manufacturer, a small businessman developing alternative energy hardware, a general store operator with crop-dusting as a sideline, and the editor of the leading agricultural magazine in the region. Cooperatives are well established in the region, with 7 of the Nation's 50 largest co-ops located here. A representative of a 250,000-member

co-op—fully vertically integrated in its poultry operation—spoke, as did the representative of a citrus growers' association less than one-tenth the size of the poultry co-op.

Professionals working in forestry and soil and water conservation contributed also. A professional worker from the Southern Baptist convention's social ethics agency, and a professional working in programs to benefit migrant farmworkers presented prepared testimony. Two college professors, one a teacher of social work, commented during the open mike segment, as did a veteran USDA professional.

Regional Profile

In the six-State region, income from farming made up 2.6 percent of total personal income in 1977. Average farm size ranges from 146 acres in Tennessee to 394 acres in Florida. In 1977 farm sales totaled $11.2 billion for the six States—$6.1 billion in crops and $5.1 billion in livestock. Top-selling commodities by State are: broilers in Alabama and Georgia; soybeans in Mississippi and Tennessee; tobacco in Kentucky, and oranges in Florida. Cattle is second in sales in four of the States. Other important commodities are dairy, eggs, peanuts, and hogs, plus nursery and greenhouse produce. More than 100 million acres of land in the States is forested, with approximately 75 percent held by private, nonindustrial owners in small woodlots.

Two States are Appalachian in character; four traditionally are considered part of the Deep South. Thirteen land-grant universities serve the region. Seven are 1890 schools, the historically black institutions.

Traditional farm organizations are active in the region. The Farm Bureau has organizations in all six States. The National Farmers Organization is in Georgia, Kentucky, and Tennessee, and the Grange is in Florida and Tennessee. Younger organizations, like the AAM, have recently surged in the region with chapters in each State. Prominently represented among the speakers was another young organization, Women Involved in Farm Economics (WIFE). Some problem-specific organizations are unique to the region, like National Association of Landowners, which helps black landowners retain their dwindling portion of agricultural land in the Southeast. Other groups, like the Organization of Migrants Involved in Community Action (OMICA), tackle local problems of disadvantaged migrant and seasonal farmworkers.

Themes

As in all the structure meetings, the first panel was made up of representatives of the broadly based farm organizations. In Huntsville, those three speakers established several of the themes to which other speakers frequently returned throughout the day: that Government regulation was a hindrance; agricultural research needed more support; the family farm system was unequalled in productivity and efficiency; USDA, in particular, could do more to support the family farmer; existing transportation and marketing systems needed attention, and prices received for commodities produced were inadequate and would remain so until they covered production costs plus a profit.

Prices, Income, Costs

Of these concerns, the one which elicited the widest and most enthusiastic agreement was inadequate prices, allegedly often below the costs of production. Fully 55 percent of the panelists mentioned it, and this was the point most frequently echoed by those speaking during the open mike session or submitting written comments.

The president of the Georgia AAM recited these numbers to tell his story: "In 1968, fuel costs were 17 cents as compared to 82 cents today. A 100-horsepower tractor cost $8,500 in 1968 and $32,500 in 1979. The 5-10-15 fertilizer cost $38 per ton in 1968 and $138 a ton in 1979. Interest cost was seven percent in 1968 and over 14 percent in 1979. Increases have taken place at almost double the rate of inflation. I have read in many places how net farm income is up . . . (but) how can this be when with very few exceptions our prices are the same or less than they were in 1968?"

A farm wife from Rochell, Ga., who was in the audience added in her written comments: "All our farm prices stay the same or very little higher while everything we use to produce has doubled, tripled, or even more, and still climbing . . ."

The Alabama State AAM coordinator, reviewing structure from a historical standpoint, said: "The farmer today is caught between high rises in his costs of production and little or no increase in his gross income to a point where he is operating primarily at a loss and has been for several years."

A small beef cattle farmer said he discovered that the problem cut across all types of producers: ". . . I came in with the idea that perhaps I was in worse shape than all of the rest of the farmers

around here. Beef cattle operators just didn't make any money at all. But as I listen here today, I haven't heard one person say that farming was profitable. I don't think I've heard one."

A soybean farmer from Mississippi voiced the opinion that, " . . . the major problem in farming today is financial security, or rather the lack of it. We farmers are the bread and butter people of our Nation. We should therefore enjoy a proper share of our Nation's wealth in direct proportion to our investment in time and resources. We are morally entitled to enjoy a standard of living comparable to that of our contemporary counterparts in industry and commerce, in keeping with all levels of input."

And they talked about how to solve the problem. The president of the Alabama Peanut Producers Association said, "We must obtain more dollars for our valuable food products." In discussing the cotton program, one producer said: " . . . I do not advocate a real high loan rate . . . However, as production costs go up, the loan rate should go up." A WIFE member from Pansey, Ala., summed up her views this way: " . . . it all comes back to my initial concern, that if the farmer is to stay on the land, to care for it and produce from it, he must have an equitable price for his product." Several felt the problems of structure would disappear if the problem of price were solved. "I believe that if the American farmer, efficient as he is, received enough money for his product, it would handle most of the problems in agriculture," declared one.

Many talked about the impact of spiralling inflation, and some blamed government spending as a cause. "When we make up our minds to bite the budget and quit having a deficit spending in the Federal Government, and raise our prices on the export market above the cost of production, this country will prosper," said a Georgia producer with a 600-acre peanut allotment.

Export embargoes also came in for criticism. " . . . The government has historically taken steps to protect the American public from a shortage of food by embargoing exports, thus preventing the farmer from obtaining the high prices that he could have gotten on the world market . . . ," declared an AAM leader. The success of OPEC in driving up prices inspired an open microphone speaker to say: "I understand that we are the leader of exports in the world's commodity market. If so, why couldn't we implement the bushel per barrel concept?" As for protection from import competition, an officer of the Alabama Cattleman's Association said: "We do feel that we need a strong law that will protect. I think that the time has come when the Federal Government has got to decide whether or not they want the American people to profit, or are we going to let the foreign folks profit."

A frequent target was the Nation's alleged "cheap food" policy. The representative of a farm equipment manufacturer declared: "American housewives and other world citizens should not expect, nor can governmental officials legislate and/or continue to administer 'cheap food'." An AAM leader added: "I feel that the cheap food policy . . . has the same effect as a tariff placed on agriculture and paid in return to industry, since what happens when a person spends less for food and other necessities is that they have more left over to buy other manufactured items that are less necessary."

The issue of inflated prices for land was minimized by some speakers. An Arkansas AAM member argued that land inflation had a positive side. "All of us are concerned about the high price of land along with the high price of tractors, automobiles, clothing, home furnishings and all of the other matters that go into making up our daily lives. We feel . . . you shouldn't be too concerned about this because it is our equity in this land and our equity in our farm machinery which is allowing the American public to eat for 16 percent of their gross earnings at the expense of these people you see here today," he reasoned. A diversified farmer from Georgia also counted it an asset. "I am in financial trouble," he explained. "Most of my income for the last 4 years is not due from farming, but from the sale of land that I had and I realized a good profit for it." An AAM leader professed unconcern: "I don't care if land costs $10,000 an acre as long as I can sell my crop for enough money to pay for it."

Many claimed their economic plight seriously threatened their chosen way of life. "Unless I start receiving higher parity prices for my efforts I am afraid I'm going to be forced to give it up," wrote one AAM member. A farmer active in both the Farm Bureau and AAM talked about the future: "I'm concerned about passing the farm onto my son. He's sitting right here in front of me. He's 11 years old. The question is, does the family farm as we know it in America end with my generation? Will my son have a chance to carry on this same farm that my family has farmed for 16 years?"

Role of Government

Only one other of the 12 topics around which the meeting had been organized—Government pro-

grams—was mentioned as frequently as producer incomes. Though mentioned by 56 percent of the contributors, there was no consensus. In some cases, individual speakers voiced divergent views between general policies and specific applications. Said one cattle producer: "(We) do not want the Government to bail us out. We do not want you to use taxpayer money to subsidize our operation. We want to let the free enterprise, capitalistic, profit-motivated system work . . . We must have recognition on the part of Government to allow our system to return a profit for us, and if that includes a restriction on imports, yes, sir."

In general, however, the 36 who mentioned the role of Government tended to favor phasing out Government involvement. The Tennessee AAM president said: "It is regrettable that we find agriculture so dependent on Government financing. This is the situation we have gradually grown into for the past 20 years . . . It cannot be corrected overnight." A cotton producer said: "I would prefer to see Government completely out of agriculture, but it's a luxury I cannot afford due to past history, due to subsidies of my competitors, which are foreign countries, and due to the control of the market in other countries just like Russia." A Farm Bureau spokesman stated: "I want 100 percent of parity, but I'd much rather get it from the market than from the Government."

More than one speaker contended that USDA did not champion the interests of farmers as effectively as, for example, the Department of Labor represented the interests of the labor movement. More than one speaker alleged that the Environmental Protection Agency regularly bested the USDA and its farmer constituents. Nutritionists—with their dietary recommendations—were seen by some as "market wreckers".

In talking about Government programs, most offered specific recommendations on individual programs that affected them. Individual commodity programs came up often because they were viewed as a tool for improving returns to farmers. FmHA came in for frequent mention—some complaints and some questions—usually related to procedures.

Another frequently mentioned program was federally supported research. Producer-supported research was cited with pride in several instances. But more often producers justified Federal support of research by saying, as did one soybean producer, "... the consuming public gets as much benefit from it as the producer does."

Market-oriented research drew the support of several. A WIFE member said, "We are concerned about the lack of market outlets and competition for our commodities. We believe that just as much research should be directed toward this need, if not more, as is done for technology. Why continue to provide technology to enable us to produce more and more surpluses that we have no market for and that will have to be sold at below cost of production to a few large corporations."

Marketing and Transportation

Marketing problems, including transportation issues, were raised by about a third of the commenters. An AAM member noted: "For several years we have had a problem which stems from being primarily too efficient; that is, we have had an overproduction of food for our movement and marketing capabilities." A spokesman for a large co-op described its vertically integrated poultry operation as beneficial to producers because it was able to compete with "the best" of its corporate competitors. A part-time farmer with 10½ acres supported cooperative direct marketing through food fairs. A representative of a cooperative producers association said, "the use of marketing orders and farm cooperatives are two methods by which the individual farmers can band together to do a better job; more often than not, a better job than would be possible under a policy of Government subsidies." Persons discussing marketing also frequently brought in export policy, world population growth and the potential for expanded markets.

From diverse perspectives, citizen-advisors in Huntsville offered the Secretary and his colleagues almost equally diverse information and advice on a full range of subjects.

Taxes and Credit

—On tax and credit policies, others echoed this suggestion by a farm wife and mother: "The inheritance tax surely needs to be adjusted to compensate for the rising cost of inflation, so the farms can be passed on to the next generation." Another farmer recommended eliminating "... the Federal-State gift tax because this is nothing but a destroyer of the American agricultural community and a lot of small business."

A NFO spokesman advocated "a progressive land tax on acreages above family farm size ... Farm-loss tax writeoffs against nonfarm profits should be totally eliminated." A farm journalist proposed that "a producer who is a wise conservation farmer ...

ought to be credited with that for his taxes, either income tax or through local tax." One college professor suggested: "If a tax assessment is set so that if a bit of land—even if it is only a quarter mile from the city—is good for agriculture, then it should stay in agriculture and should be taxed with that in mind so that if that farmer even should want to sell for a subdivision, he should really have to pay a tremendous amount of back taxes on his land."

Landownership

—On ownership and control of land, a NFO spokesman labeled this the fundamental question to be considered, saying: "Let's begin by deciding what kind of system of ownership we want and proceed from there . . . The big difference is whether we have the wealth in the hands of a few or have it scattered around to a lot of people."

Several speakers brought a more specialized perspective to this problem, like the representative of National Association of Landowners, who posed the problem of minority landowners in the Southeast: "During . . . 1910, . . . close to 15 million acres of land that my forefathers had acquired in these 11 Southeastern States started slipping through our fingers, until now we are down to around 5 million acres. And it is going at the rate of 6,000 a week or 350,000 acres a year." This theme was expanded upon by a USDA professional who said during the open mike session: "My suggestion is that the Department take a close look at this group and help us to hold the little land that we have left and get down to the special programs and projects to benefit these people and help keep them off the welfare rolls." From experience with migrant and seasonal farmworkers, this USDA employee talked about landownership in terms of use: "The availability and control of land for agriculture is a major concern . . . We support the development of a plan to protect remaining agriculture land, including acquisition by the public sector rather than by private developers." Opposing such a scheme was a Mississippi Farm Bureau representative in the audience, who wrote: "It bothers me deeply the underlying tones in the direction of land redistribution."

Environment

—On environmental concerns, including conservation, an AAM spokesman related the problem to inadequate returns: "What I've seen as far as land going down hill at home is the fact that farmers can no longer afford conservation measures." A Southern Baptist worker addressed the problem another way: "We are seeking to challenge the thousands of Southern Baptist farmers and ranchers in this country to recognize the ownership of God of their resources, and to put that recognition into practice by exercising responsible stewardship in regard to the land."

Energy

—On present and future energy supplies, farmers testified to awesome fuel cost increases of the recent past; problems of unreliable supply; and asked for increased emphasis on renewable energy production on the farm. A small businessman advanced as a solution hardware he was developing and selling to produce fuel alcohol; one of his stills was called the "OPEC-Killer". Describing a system for on-farm production up to and beyond the point of self-sufficiency, he predicted that " . . . some of our small OPEC Killers will be scattered in 26 counties and they will have an anhydrous unit in a central location . . . These people will draw this alcohol in, maybe 140 to 160 proof, which is easily produced on the farm. A farmer will satisfy his own needs first, and then he'll come in and sell his excess to a central processing plant. This plant will remove more water from the alcohol and sell this alcohol on the gasohol market."

A housing developer wearing a hat with a propeller powered by a solar battery, asked for more cooperation from Washington on solar units in low-cost housing. "The Washington office is not convinced that solar energy program is ready to fly," he said. "I want to tell you that the unit is ready. The unit is reasonably priced and in operation. We could cut out a whole lot on your budgeting of research by putting into effect these workable good units that are on the market today and turn us loose to build them. We want solar energy badly . . . "

Entry Barriers

Only a few speakers talked about structure topics which would have more importance in other regions. Nine mentioned the entry problem, often just sketching it out, as did this peanut farmer: "Young people entering farming today face barriers that are virtually unsurpassable when one considers high land prices, escalating production costs, credit availability and impossible tax hurdles." Only a NFO spokesman went on to suggest that "adequate financing and favorable interest rates should be available for beginners."

Quality of Life

Less than 10 percent talked about the quality of life in rural areas, but the editor of Progressive Farmer expressed this note of optimism: "Today, there is much concern from a political and sociological point of view that the much admired small farm and small rural village lifestyle is gone. Not so in the South. The Southeast has a good mix of large and small farms. And dual income farmers add a quality of stability to the rural economic structure that is important. Rural population has stabilized and some data indicated that the Southern rural population may indeed again be growing. Country living is still a desired—and attainable—way of life in the Southeast."

The Family Farm

To a considerable extent, commenters shared a common assessment of the family farm. From a farmer with 1,000 acres, 500 owned and 500 leased: "I do not think that a family farm can be defined by the number of acres farmed or by the dollars worth of goods sold in a year. In my opinion, a family farmer is an operation in which the operator is a fulltime farmer and the major portion of his family's income is from the farming operation." From a AAM leader: "I don't think you could define a family farm as to size. I think it's going to vary according to the parts of the country and the type of diversification you're in." Another AAM spokesman added the dimension of individual capabilities: "The size of a family farm is that amount of land that one man or his family can manage. This can vary from 100 acres or so in some areas, to several thousand acres in other areas. It can also vary with individual ability or initiative. It cannot be determined by acres or gross income."

The family farmer was extolled for his productivity and for his efficiency; the family farm system for its contribution to American strength. A peanut farmer said, "The family farm system is what has made this country what it is today . . . " The alternative predicted was increased concentration in the hands of a few large corporations with attendant inefficiency and waste, rising food prices, and perhaps eventually political unrest. "The family farm owner-operator is the most efficient in man-hours, labor, fuel and conserving the quality of land and resources," noted a NFO spokesman, adding, "Many other benefits accrue to this Nation from the family farm system of ownership. The tension, riots, poverty, and revolution associated with improper distribution of wealth is successfully resolved."

Values

Huntsville participants frequently spoke of value systems which underlaid the practical advice they offered. A religious worker claimed "the structure of American agriculture is a moral issue." Others saw it as a matter of basic political philosophy: "The free market or free enterprise system is the very best system offered today . . . ," wrote one audience member. "As for me, in keeping with the American ethic, I am in favor of charting such a course for agriculture as will offer the greatest measure of freedom of choice for farmers, thereby insuring a continuation of the democratic process and giving stimulus to free agricultural enterprise," wrote a soybean producer.

The NFO representative introduced a contemplative historical perspective early in the meeting: " . . . we look with mixed emotions at the agriculture of our past . . . The Homestead Act caused the dreams of thousands of families to become reality, to allow them the opportunity to own and operate a family farm . . . With dismay we reflect on the large farms or plantations that were formed in the eastern and southern part of the country . . . which fostered the despicable practice of slavery . . . and prevented many families from owning a farm."

The Progressive Farmer editor reflected on another aspect of regional history: "The South is a healed land, which has shown in a dramatic way that a major geographic farm region can be brought back from the ravages of severe soil erosion. Most people forget that in the 1930's the farm Southeast stood largely as a dead land—its soil resources gutted and scarred, its farm people in financial ruin, their bodies and spirits deadened by unending toil and disease . . . Today to fly over Sunland is to see what seems to be a miracle—productive diversified prosperous farms, thriving green forest lands and pastures, . . . a choice land."

The climatic advantages of the region were not lost on an AAM speaker: "Some areas can grow a lot more, and I like that pretty well since I'm in the South and we can grow just about anything."

Pride in profession, whether cattleman, peanut grower, or co-op worker was part of their tone.

Pride in land ownership was a largely tacit bond among them. "It made me a good American citizen that I may not have developed into, had it not been for the ability to own a little bit of land," said one.

The right to own and use land without Government intervention was strongly defended even by people most concerned about poor stewardship of land or the loss of prime agricultural land to other uses. A soybean farmer stated emphatically: "We do not want a compulsory overall land use plan nor do we want any type of prescription farming imposed upon us." The Southern Baptist worker, committed to the concept of farmers as strangers and guests of the land, still noted: "I would not want to be heard as saying that I did not believe in private property." And a Farm Bureau representative explained, "We favor a market-oriented agriculture featuring freedom of entry and exit on the part of individual producers."

Policy

Several expressed a desire for a comprehensive approach to agricultural policy. As a farm equipment manufacturer said, "It is . . . absolutely essential that we recognize the critical need for a comprehensive action plan that will assure American citizens of this generation and future generations that there will be an adequate supply of quality food and fiber."

"My hopes," the religious worker said, are that "Congress will ask broad social and economic questions and deal with agricultural policy with a holistic approach rather than a piecemeal one."

Individual experiences provided the pieces for a patchwork of recommendations: increase conservation programs and technical assistance staff; consider reassignment of peanut allotments held by absentee or non-producer landlords; support the Andrews amendment and keep the Federal Trade Commission (FTC) out of co-op business; decrease the number of cotton classifications; involve USDA in programs for farmworkers; mount public relations efforts to inform the consumer of the importance and benefits of the family farm system; establish a clearinghouse of information on alternate energy development; tie the loan rate to the cost of production; deny benefits of programs to all except family farmers; increase the set-aside; treat people equally in the provision of subsidized interest rates; support the Family Farm Act.

Few, however, talked about or responded favorably to comments about the special problems of those in agriculture with more limited resources. As one person said, "I do not advocate supporting a marginal producer." Another suggested that a USDA program that offers intensive help to poverty-level farmers through cooperative action should be dropped to save money.

Mailed Comments

Specific recommendations were also common in the written comments mailed in from people in the six-State area. Twenty-four separate comments were received, two from participants who wanted to expand on views they had expressed during the public meeting. Represented among the commenters were conservation districts, State governments, an electric power association, an environmental project, a cooperative senior citizens group, farm and other organizations which had presented testimony, community-based organizations—one dealing with poverty generally, another encouraging direct marketing outlets for small producers and individual farmers—a beginner interested in getting started in beekeeping, vegetable farmers, one who identified himself only as a small farmer, etc.

The recommendations they advocated were similarly wideranging—for example, legislation should be passed to require vertically integrated corporations to bargain with contract producers; USDA should recognize that wildlife is a renewable resource and provide incentives to conserve it; FmHA should reassess the reasons for low minority and limited resource farmer participation; rural cooperatives should be supported; USDA should stop printing and distributing "Packets for the Bride"; reliance on pesticides should be reduced; when a farm changes hands, the crop allotments should be cut by 50 percent; special programs should be offered for minority and limited resource families; the Youth Conservation Crops Improvement Program guidelines should be modified to include nonpublic forest lands; production and use of tobacco should be discouraged; State governments should be more involved in agriculture policymaking; and, USDA's alleged "overemphasis" on row crops and livestock should be ended. Often these recommendations were accompanied by careful arguments and detailed analysis, extending beyond what speakers were able to present during the day at Huntsville.

Correspondents also covered structure issues addressed by speakers at the public meeting. Half of the writers took up environmental concerns such as conservation and the use of soil or water. A Tennessee woman affiliated with a community-based marketing project wrote: "Just as factory owners do not have the right to pollute the air and water indiscriminately . . . so it seems that one of the costs of doing business as a farmer should be the preservation of the productive land base." In talking about the loss of prime agricultural land to developers, a

Florida environmental project representative wrote, "Soon it will be too late for Florida coastal agriculture." A prospective beekeeper talked about farming practices that interfered with honey production: "Intensive farming practices have turned around the natural environment . . . Chemical pesticides, herbicides and fertilizers are bee killers."

An assistant county Extension agent cited a related dilemma: "Conservation is a must, but how can it be integrated with the need for greater production to satisfy increasing export demand?" A small vegetable farmer, suggesting that organic agriculture should be more widely practiced, reasoned that " . . . when soil building is practiced, the efforts of one year last for many years."

About a third of the writers mentioned the marketing system. One writer concentrated on the difficulties of a vertically integrated broiler operation in Tennessee. Another, representing the Florida Farm Bureau Federation, echoed speakers in pointing out the inadequacies of the existing transportation system. "It does little good to be concerned with research production, farm program changes, etc.," he wrote, "without a method by which farm products can be transported to market." Taking issue with those favoring increased price supports, this same person wrote: "Price support programs *must not* be raised to a level that would encourage over production or jeopardize our export market by pricing our farm commodities out of the market."

Roughly one-fourth of the writers touched on production efficiency, farm size, and technology—including research. Two small farmers wrote about how the system fails the person with a small or nontraditional enterprise. The organic vegetable farmer requested "help to develop small technology for the small vegetable farmer." The beekeeper wrote: "Because the USDA is geared toward agribusiness, the interests of small farmers . . . are dumped back in our laps. Repeatedly I was given information applicable to agribusiness farming, but not mine . . . The low point was advice that . . . if I really wanted to go into honey production I should move to a Southern State that produces more honey than Kentucky."

Land speculation was discussed by a writer who passed along a brochure encouraging professional farmers to speculate in land to the maximum, as a hedge against inflation.

In several instances, writers added structure dimensions which had not been considered during the public meeting. A director of a governor's office of human resources talked about the positive values of having part-time farmers as part of the rural community structure. " . . . The part-time farmer living in rural areas represents the more stable worker in nonfarm industries," he said. " . . . Family members of part-time farmers accept more responsibility for civic affairs, (and the) part-time family farmer situations represent many extra advantages for the training and development of children."

The National Association of Landowners suggested that "USDA work more closely with rural and community-based organizations"—another idea not emphasized during the public meeting in Huntsville. Their position, submitted by members, went on to suggest efforts affecting the quality of life, "such as water and sewer systems, health clinics, and transportation."

The Agriculture Marketing Project, a community-based organization assisting small farmers in direct marketing, focused on community organizing and citizen involvement in planning and decisionmaking in the Tennessee Valley. Absentee ownership is a "cornerstone" of the status quo, the project claimed, with serious negative effects including drain on local capital, reduced local control—especially over land use—reduced local access to local land, and strained and distorted local services and economy. The project's correspondent also discussed the potential of community organizations—which had not been covered during the public meeting—explaining that "the main contribution of community organizations may be simply the experience rural people get in sharing small amounts of power in their own communities."

Taken as a body, the written comments submitted from interested persons in Alabama, Florida, Georgia, Kentucky, Mississippi, and Tennessee extended the consideration of issues and contributed further substance to the discussion of structure issues as they affect this region.

Panelists: Mrs. Sidney Beck, Pansey, Ala., spokeswoman, WIFE; Fred Bennett, Greenville, Ala, National Association of Landowners; O. H. "Dick" Bowden, Atlanta, Ga., Gold Kist, Inc.; Sam Clary, Jesup, Ga., National Farmers Organization; David Currie, Nashville, Tenn., Christian Life Commission of the Southern Baptist Convention; John Daniel, Buena Vista, Ga., marketing consultant, United International of Buena Vista; Tommy Kersey, Unadilla, Ga., president, Georgia AAM; Phil Maybee, Eads, Tenn., vegetable farmer; James Earl Mobley, Shorterville, Ala., president, Alabama Peanut Producers Association; Bill Moore, Albany, Ga., Lilliston Corporation; Goodwin Myrick, Montgomery, Ala., president, Alabama Farm Bureau; Mrs. Cecil Rambo, Frankfort, Ky., farm manager; Buddy Rose, Towncreek, Ala., president, county Farm Bureau and state coordinator of AAM; Eva Sanchez, Homestead, Fla., Organized Migrants in Community Action (OMICA); Charlie Scruggs, Birmingham, Ala., editor, Progressive Farmer; Clarence E. Sparks, Jr., Walls,

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Miss., soybean farmer; H. David Wall, Huntsville, Ala., farmer; Earl Wells, Lakeland, Fla., executive assistant, Florida Citrus Mutual; E. H. Wilson, Montgomery, Fla., cattleman, executive vice president and chief executive officer, Alabama Cattlemen's Association; and, Bobby Zerbel, Athens, Ala., operator of general merchandise and fertilizer store.

Open Microphone: Colin Bagwell, Huntsville, Ala., forestry consultant; Leslie A. Bennett, Elkmont, Ala., dairy farmer; Dr. Joseph Bradford, Wetumpka, Ala., former USDA employee and Extension agent; Thomas Burrell, Memphis, Tenn., farmer, president of National Association of Minority Agribusiness, Inc.; Ed Cox, Tallahassee, Fla., Office of the Commissioner of Agriculture of Florida; Jerry Crawford, Mayfield, Ky., farmer; Sam Darwin, Huntsville, Ala., farmer, president, Madison County Farm Bureau; James H. Dickinson, Frostproof, Fla., citrus grower, secretary, Florida Farm Bureau Federation; Edwina Etheridge, Ashford, Ala., farm wife; O. B. Everson, Colquitt, Ga., farmer; T. D. Godwin, Jay, Fla., farmer; George E. Harris, Atlanta, Ga., teacher, Atlanta University; Buddy Jones, Lumpkin, Ga., peanut farmer; Joe Lasser, Huntsville, Ala., farmer; Mrs. McCoy; W. L. McCoy, Fayetteville, Tenn., farmer; Delous McKnight, farmer, southeastern representative, AAM; Ross Michael, Tennessee farmer; Dean Montgomery, Huntsville, Ala., farmer; C. W. Moody, Montgomery, Ala., State Forester of Alabama; Burt Olshan, Birmingham, Ala., Guardian Management Co.; E. K. Rogers, Greenville, Ala., farmer; Wayne Singletary, Jay, Fla., farmer; Winston Spivey, Louisville, Ala., peanut farmer; Roy A. Tate, Huntsville, Fla., farmer; Melvin Taylor, Elmore County, Ala., farmer; Martha Nell Thompson, Midland City, Ala., WIFE; Dr. Gene Vredeveld, Chattanooga, Tenn., professor, University of Tennessee at Chattanooga; Lester L. Wells, Jay, Fla., farmer; Bob Wiggins, Montgomery, Ala., Alabama Forestry Association; T. A. Williams, Madison County, Ala., chairman, Madison County AAM; Tommy B. Willis, Brownsville, Tenn., farmer, president, Tennessee AAM.

Written Comments: Dykes Adkinson, Samson, Ala.; Bill Brown, Carrolltown, Ga.; Carl T. Clements, Headland, Ala.; Doyle Conner, Tallahassee, Fla., Florida Commissioner of Agriculture; Jimmy Ditty, Bascom, Fla.; Nell L. Jones, Rochell, Ga.; Cameron Lyne, Carrollton, Ga.; Helen McKnight, Huntsville, Ala.; Austin Middleton, Dothan, Ala.; Louis Moody, Lenox, Tenn.; Howard Smith, Jr., Kinston, Ala.; Louis Starra, Sr., Lyons, Ga.; William Watson, Ripley, Miss.

Mailed Comments: O. E. Barnes, Monroeville, Ala.; Joseph Bradford, Atlanta, Ga.; James L. Bragg, Brooklet, Ga.; Luther T. Brantley, Jr., Jackson, Miss.; Bill Brown, Carrollton, Ga.; Laramon Durham, Maxeys, Ga.; Dennis Emerson, Gainesville, Fla.; A. Flisik, Bradenton, Fla.; L. P. Fuqua, Jr., Gallatin, Tenn.; Donald D. Gray, Maynardsville, Tenn.; Carolyn D. Green, Falmouth, Ky.; John Harris, Talladega, Ala.; Laura Heise, Nashville, Tenn.; Lindsay Jones, Nashville, Tenn.; Franklin McKee, Hartsville, Tenn.; Martin Moates, New Brockton, Ala.; Edward J. Pennick, Atlanta, Ga.; James Putnam, Columbia, Tenn.; Thomas F. Roe, Flemingsburg, Ky.; W. T. Shows, Columbia, Miss.; Dr. Gene Vredeveld, Chattanooga, Tenn.; Fred Williams, Grand Ridge, Fla.; Leonard Wilson, Lexington, Ky.; James D. Wyker, Berea, Ky.

Sioux City, Iowa
December 4, 1979

(Iowa, Minnesota, Nebraska, North Dakota, South Dakota)

From 800 to 900 persons joined Secretary Bergland, Under Secretary Dale E. Hathaway, and U.S. Rep. Berkley Bedell of Iowa at the Marina Inn in South Sioux City to highlight the farm structure issues important in Iowa, Nebraska, South Dakota, North Dakota, and Minnesota.

The standard five panels of four speakers each were followed by 32 men and women speaking from the audience. Twenty-eight persons or organizations left comments, position papers, or research documents for inclusion in the hearing record.

Altogether, comments were received from 36 farmers and ranchers speaking as individuals, including a retired producer whose children are now farming; 21 representatives of State, regional, or national farm organizations; a Roman Catholic bishop, on behalf of the United States Catholic Conference of 350 bishops and 2 related organizations; 4 public officials; 2 pairs of university researchers; 3 agribusinessmen; 2 representatives of nonprofit organizations concerned with rural life and relations among farmers; a banker; 2 representatives of farmer cooperatives; a spokesman for a State advisory committee on family farms, and a newspaper reporter. One women who participated in the "open microphone" segment of the hearing represented both a religious organization and a coalition of 14 nonprofit organizations. Four persons among those speaking from the audience microphones or leaving written comments did not identify themselves by occupation or affiliation.

At least 17 of those speaking for organizations, including North Dakota Commissioner of Agriculture Myron Just, were also farmers or ranchers. Commissioner Just brought with him for inclusion in the record the transcribed comments of 40 active or retired farmers, from a series of 6 conferences in North Dakota on the same issues. Acreages represented ranged from 240 acres to 5,000 among those farmers who provided details of their operations, with the average size among them about 1,000 acres. Each segment of the hearing—the scheduled panels, the open microphone exchanges and the written comments—included testimony from all five States in the region.

Additional comments were mailed to the Department by 98 persons from the five States, either in response to Secretary Bergland's call for the national dialogue or in response to exchanges at the hearing itself.

Regional Profile

The hearing site was near a bend in the Missouri River where the borders of Iowa, Nebraska, and South

Dakota converge. A supply and transportation hub during the exploration and settlement of the northern Plains more than a century ago, the Sioux City area has experienced population and economic shifts directly related to shifts in agriculture production, processing, and transportation. Large stockyards and meatpacking houses gave way, for example, to more decentralized operations in the region as methods of feeding, slaughtering, and moving livestock and livestock products changed.

This region included 3 of the top 10 agricultural States in terms of sales: Iowa (2), Minnesota (5), and Nebraska (6). In 1977, a lean year for most farmers, agriculture accounted for 9.4 percent of personal income in the region.

Hogs are the leading farm commodity by sales in Iowa, the Nation's leading hog-producing State and the number-two producer of corn, cattle, and soybeans. Cattle is the leading commodity in Nebraska and South Dakota, and second in the other three States. Minnesota's number-one commodities are milk and dairy products and wheat tops the list in North Dakota, but dairy and wheat farmers are prominent throughout the five States. North Dakota is the Nation's top producer of barley; Minnesota, of turkeys. Soybeans, corn, sorghum, potatoes, and sugar beets are among the other leading crops.

In 1978, these five States accounted for about one-fifth of all farm sales in the United States—more than any of the other nine regions as divided for these hearings. The $21.8-billion total included $13.2 billion from livestock and $8.6 billion for crops.

The major general farm organizations all are represented within the region, with the National Farmers Organization having its headquarters in Corning, Iowa. Two of the Nation's 10 largest farmer cooperatives are located in the area.

As the lists of leading commodities indicate, high priority issues among farmers have included prices for hogs, cattle, and corn; import restrictions on meat, especially beef; dairy prices; availability of irrigation water in the western farming areas; transportation of farm products on a deteriorating railroad system, and the impact of inflation on producers. Because of recent fuel supply problems, the availability of corn, and plans for a large distillery in Sioux City, the potential of gasohol and other alcohol-based fuels has become another principal concern.

Minnesota and North Dakota have instituted State programs of loan guarantees or tax incentives to help young men and women enter farming. Minnesota, Nebraska, and South Dakota estate-tax laws are designed to benefit heirs to family farms.

North Dakota banned corporate ownership of farms 48 years ago. Iowa, Minnesota, and South Dakota also have laws restricting corporate farming, and Iowa, North Dakota, and South Dakota have laws restricting foreign ownership of agricultural land.

The importance of agriculture to the region's economy also has spawned a number of private research and/or advocacy groups involved in rural development and small-farm issues. Among them are the National Catholic Rural Life Conference in Des Moines, the Coalition for the Preservation of the Family Farm (sponsored by the Catholic Diocese of Sioux City), and the Center for Rural Affairs in Walthill, Nebr.

The Family Farm

The testimony embraced, often as a starting point for a speaker, several variations of one of the key questions facing those who make agricultural policy: What is a family farm?

The Iowa Grange master said it is one that requires no more than 900 days of annual labor with at least one-half that labor supplied by family members and with management supplies by a resident family member.

A feeder-pig producer, representing Communicating for Agriculture, described it as a unit engaged in producing food, fiber, or timber that is owned and operated by a family or group of families that provides all or most of the labor.

The president of the South Dakota Farmers Union suggested that family farms be defined as those with new incomes no higher than the national median income for all families.

Three persons suggested that a "farm is not a family farm without hogs"—a traditional opportunity crop or "mortgage burner" that carries the debt in leaner years. They said the growth of factory-type hog feeding operations, with greater access to markets than a small producer, is taking this standby moneymaker away from beginners.

Most witnesses attempted, in either their prepared statements or during questioning, to single out one fundamental cause of the problems—if any—facing American farms and rural communities.

A significant minority said that they believed all the major problems would be solved if the one underlying trouble spot they identified were removed or neutralized. But most expressed a related series of concerns; the differences among witnesses rested

primarily in the way they ranked or blended those concerns.

The issues most frequently addressed were prices for farm commodities, a crumbling transportation system, inflation, competition for farmland, a tax system that works against small- and medium-sized farms or would-be heirs to established farms, and a concern that the Department of Agriculture is not defending producers of red meat against "attacks" on its nutritional quality.

Beyond any specific economic concern, however, the testimony was laced with persistent concerns, implicit and explicit, for social, cultural, and personal values that witnesses felt were threatened—either by the structure of agriculture today or by this examination of that structure.

Prices

"Low prices to agricultural producers" was cited most often as a pivotal reason for the problems that farmers face that have not been remedied by Federal policy and/or have been aggravated by it.

Nearly one-third of those who spoke or left comments at the hearing emphasized poor financial returns from farming, occasionally to the exclusion of all other suggested problems. Higher prices would give farmers the means to combat the problems of soil erosion, the trend toward fewer and larger farms, the threatened vitality of rural towns, and the barriers to entering farming, they said.

"So many of our problems are related to the low returns we receive for our commodities . . . ," said one Nebraska farm wife. "An equitable return . . . would be the solution." An assured higher return might help a larger farm expand, she agreed, "but . . . there's no quicker way to squeeze out the small farmer than by not letting him get a parity price."

Another parity advocate, who did not say whether he was an active farmer, testified: "There is only one basic problem in agriculture, and that is that farmers are not receiving a fair and just price."

A man who grows 1,500 acres of durum wheat in North Dakota concluded his remarks: "The financial condition of the farmer and the loss of farms is not the result of overexpansion, overextension, inefficiency or inflation. These are the results of a cheap-food policy!" A self-described "average farmer" from southwest Nebraska, who said Government officials had sold their own and farmers' souls to a banker-led conspiracy, concluded: "One hundred percent of parity is the only answer to our agricultural problem."

Results of a senator's questioning of farmers in South Dakota, presented by an aide during the open-microphone segment, showed that transportation snarls and a shortage of FmHA loan funds were among the key concerns of many, but all felt that there is no better solution than good prices.

A more formal Minnesota farm-group study of structure issues found in its preliminary stages that farm prices were a primary concern because low ones were forcing producers to expand their operations, seeking lower unit costs.

A central Iowan, farming 320 acres since 1976, complained: "I must get bigger or get out." A spokesman for the Iowa Farmers Union said: "We regard chronically low farm prices and income as the primary hazard to family-type farm operators and consider them factors which aggravate all other farm problems . . . There is very little wrong with the past, present and, I hope, the future farm problems that more money to the farmer wouldn't take care of."

In suggesting solutions to the problem of prices, witnesses similarly linked that problem to what they saw as related, but secondary issues.

As the comments indicate, more than one-half of those who felt low prices were the central problem also felt that parity prices were the solution. Few were specific about how parity prices should be achieved—by law and/or in the cash markets.

Several advocates of the parity solution contended that a 90-percent-of-parity price floor set by law would produce the desired 100 percent of parity in the marketplace. One man called for raising price-support loan rates to cover all production costs. No plurality emerged over whether this "minimum wage for farmers," as some called it, should be achieved through the existing demand-oriented loan rates that affect only grains, soybeans, and cotton or whether a Federal minimum price should be established for all agricultural commodities by act of Congress. One witness, after praising the dairy program for providing stability for those farmers, said that the 80-percent-of-parity minimum support for milk "can work for grain and meat."

A representative of the Minnesota Project and a Farmers Union group, jointly studying farm structure in Minnesota said that many producers see the current price-supporting loan rates or target-price deficiency payments as a tested mechanism for providing a market-price solution. But he said that Minnesota farmers are still undecided about whether some formula for adjusting target prices should be used other than the current statutory one, based on cost-of-production averages, and about whether the rates

should be graduated to provide different levels of protection for different categories of producers.

"I think that what they're telling us is that some minimum level of price protection, of floor underprices, doesn't have to be directly related to anybody's precise cost of production but it has to be a level that is going to protect, to some degree, all farmers," he said.

A North Dakota wheat producer suggested that Government could assure adequate returns by focusing its efforts on expanding demand for the farm products, especially through export channels, and removing such market hindrances as its production or marketing controls and any price guarantees.

A recent "Young Farmer of the Year," he testified, if export demand were increased enough in an unhampered marketing environment, prices would become adequate and problems related to land ownership and the quality of rural life would be automatically addressed. "If we, the farmers, can receive that additional profit, get what our returns should be, we'll be able to pay more for transportation"—improving the financial situation of the railroads. This would stimulate expansion of export facilities, and increase private research funding, which would assure adequate food and fiber supplies in the future.

An Iowa corn grower said that, while soil conservation is a prominent concern in the region, the reality of soil stewardship when prices are low is that a retired farmer will hold onto land as a source of retirement income, whatever its condition; the tenant "is trying to pay the rent and keep groceries on the table" first.

Several pro-parity witnesses said that such prices would reduce the need for increased supplies of both Federal and private credit, provide the funds for farmers and ranchers to maintain conservation practices, erase the smaller operators' temptations to sell to larger farmer neighbor and nonfarming investors and revitalize the dependent businesses in rural towns. One said that farmers' greater purchasing power could create more jobs in town—and in cities where farm suppliers have factories—at a time when fewer farmers and their families would need to seek work off the farm, thus bolstering the economic drawing power of the communities for permanent, nonfarming residents. Another enlarged the scope of the potential effects of parity prices. Responding to the day's discussions on an appropriate size for a "family farm," he commented, "If we put a fair price on the commodity, land will divide itself. If I want to work in town, I will only farm 30 acres." If the problem is conflict between different-sized operations, "you set loan rates at 90-percent-of-parity, and small and large farmers will get together just fine," a colleague added.

Several respondents said that farmers must learn to price their own products themselves, rather than accepting a buyer-set price or a market average. But none said precisely how they might do this, especially in the case of perishable commodities.

An Iowa Farm Bureau leader, saying that family farms must be freed from production-hampering regulations so they can adapt to changing technology and market demand, recommended that farmers, to survive, become more involved in marketing and management, using all available tools to increase profits.

Witnesses who said that futures market speculators or alleged economic manipulators in banking or political circles were deliberately holding down farm prices, recommended that those groups be banned.

Transportation

The question of prices was nearly matched by a concern with inadequate transportation—and its effect on price. It was mentioned as a major concern by more than 15 percent of those speaking at the hearing. Most witnesses expressed general frustrations or focused their comments on last year's strike at the Duluth, Minn., port and subsequent snarls in the upper Great Plains grain pipelines. Several said that the Government, on behalf of farmers, should push for more rapid resolution of labor-management disputes.

"Inability to transport agricultural production to meet the demand causes serious consequences, not only to the producers but for several other areas," commented a South Dakota farmer who has worked a 1,200-acre grain and livestock operation for 7 years.

"Those in the upper Midwest firmly believe that this near-crisis situation in transportation is the most critical element affecting all agricultural fields and will persist for some time unless Government acts promptly," testified a 1,200-acre Nebraska livestock farmer. He is a member of the board of a regional cooperative that serves nearly 10 percent of the Nation's farmers.

He also drew possible implications for the structure of agriculture tomorrow. The transportation problems, he said, depress grain prices in some areas. Further curtailment of service and redirection of the means of moving crops and livestock will again affect

what is produced where. To offset local disadvantages under the transportation network, farm operations and grain handling facilities will need to expand, he said.

"The entire structure of agriculture and agribusiness in those areas will be affected in ways that we haven't even thought about, much less researched. We can be sure that the ultimate changes brought about by an obsolete transportation system will not help maintain a family-farm type of agriculture," he added.

The Government should provide greater leadership, he and others testified, in resolving the dispute over replacement locks at the Alton, Ill., dam, in allowing more railroad mergers and in encouraging innovations in modernizing the rail system, perhaps to the point of the Government's owning the rail beds, "just like they do highways and waterways."

One witness, however, said that railroads "should have the same freedom to go broke that I do." He and others suggested that the Government curb its rail regulations, feeling that greater competition among the most successful railroads would produce an efficient network.

Others suggested that the Government use its power to push more idle boxcars into service, while still others suggested Government underwriting of local ventures—including cooperatives—to maintain agriculture-serving branch lines that otherwise might be abandoned.

Inflation

Within this first rank of concerns in Sioux City, inflation was right on the heels of transportation difficulties in the number of persons addressing it. But the expressions generally were far more intense:

. . . "Inflation bears on several other matters under consideration besides landownership, but it is a major factor in limiting the entry into the business of individuals without considerable amounts of capital derived from outside of cattle production." (A leader of the Nebraska Stock Growers Association.)

. . . "If we want to do something for the young farmer, for the beginning farmer, for the small farmer that wants to expand because he has the managerial ability to expand, if we control inflation, we will allow that to happen. If we don't, there is no use talking about all these other things. It is not going to happen." (President of the Iowa Farm Bureau.)

. . . "More people that own land would be willing to sell to young farmers if our Government would control inflation," so that the proceeds could support them adequately in retirement. (A Talmadge, Nebr., farm wife.)

The shift in farming since the 1930s—from a norm of diversified self-sufficiency to a point now where 70 to 80 percent of supplies come from off-farm sources—means that inflation has an immediate negative impact on cash flow and net income. That impact is not offset by supply and demand forces that directly affect income, one speaker noted.

Invariably, any witness who suggested a solution to inflation recommended cuts in Government spending—sometimes a flat proportion, such as 10 percent; sometimes just cuts in official salaries of up to 25 percent; sometimes just a general reduction, and sometimes a drop sufficient to balance the budget. But, during questioning, none suggested a specific program he or she thought should be eliminated at the Department of Agriculture.

Land

Another leading concern, often directly related to inflation by the witnesses, was land: The access to it for beginning farmers, the transfer of it from retired farmers or their estates, and the propriety of non-farmers' owning farmland.

A recent survey of 218 beginning farmers in North Dakota, results of which were outlined by the chairman of a State advisory committee on agriculture, found that the cost of land, the slow pace of receiving credit when it was available, and high interest charges on land purchases were primary problems. The typical member of this sample was 25 or 26 years old, had finished 2 years of college, began farming in the 1970's—usually with a father or brother, on just under 1,000 acres—and had assets of $80,000 more than offset by liabilities of $95,000. Most said that family members provided favorable land sale and rental agreements. Many leased the larger share of the land they worked, usually owning one section (640 acres) and renting five quarter-sections.

A statewide project undertaken by two Minnesota groups—responding to the call for a national dialogue on farm structure with hearings and surveys—found land supply and price problems to be the key for those getting started in farming, one of the project directors testified. Land-related barriers to entry were a universal concern, this project found, along with farm prices pushing producers to expand production and acreage to reduce relative unit costs, and a tax structure that gives the larger farmer ad-

vantages unattributable to the farm's physical location or management.

"Escalating land prices, coupled with exorbitant interest rates and scant profits, lock many enterprising young people out. Young farmers are forced into high-risk, cash-rent operations without the protection of farm programs," the project director said.

A banker for almost three decades in a Minnesota agricultural community of less than 1,000 residents felt that farmers want to enter the American economic and social mainstream.

The transition requires both full- and part-time farmers, categories that depend on the individual's ability to put together an efficient unit that will service debt and provide family living expenses. "Land . . . is a limiting resource for entry," he said. "Our major problem (as lenders) is working out transfers of farm units from one generation to the other . . . without going through this entire liquidation process and subsequent refinancing."

The acreage set-asides of the 1950's and 1960's, he continued, allowed farmers to buy cheaper land that could then be left idle—"excess" land that gave them significant automatic advantages when mechanical technology made it efficient to farm their full acreages and which 1970's markets would support. This inflated asset continues to give them credit advantages when more farmland is available for purchase, he noted.

A reduced level of inflation would restore broader competition in the search for land for full-time farmers, if accompanied by taxcode incentives to pass on farmland to new producers, he added.

Public policy also must recognize the land needs of part-time farmers who want to farm only as an avocation that responds to their "attachment to the land and desire for rural life," he said. As rural-town workers, they provide an essential base for the rural population.

A NFO representative began his comments: "It seems to me that when we are considering the structure of agriculture for the future, it has to revolve around one major issue: Who is going to own the land? I think that has to be the central question."

Under questioning, he expressed reservations, later repeated by many witnesses, about proposals to limit the land purchases of successful farmers "if the profit (used to buy land) is made from the operation of the land. My big concern is making your profits from some off-farm industry or occupation and profession and then coming into the farmland market . . . as a hedge against inflation or to realize some tax benefits."

Several others said that ownership of farmland should be limited to active farmers—whether by Federal or State law, it was not always clear. Invariably, the premise for this opinion was a concept of land stewardship: Those who both owned and worked the land would be the most efficient producers of food from it, make the maximum effort to protect the environment and, as trustees for the next generation, ensure a higher quality in rural life.

A more practical aspect, said one grain farmer, is that inflation returns unearned dollars to landowners, but not necessarily to farmers.

At the same time, several others qualified their support for such a concept of legislated owner-operator control of farmland, although they thought nonfarm foreign or domestic investors at least should be discouraged. A Wakefield, Nebr., farmer, working with his father since 1967, said that he would oppose its incorporation into law, because the land of nonfarmers is needed to provide rental fields for beginners.

More profound qualifications arise, one open microphone participant noted, out of the fact that "land lies very close to the heart of any farmer." A handful of witnesses and those filing written comments said pointedly that they hoped the concept of private ownership of land was not being questioned in addressing young farmers' difficulties.

In addition to responses to the problems of land access and price that would involve restrictions on farm ownership, witnesses endorsed—for the Federal level—State programs in Minnesota and North Dakota that are centered on fiscal policy and credit programs. The thrust would be to encourage with tax credits the sale and/or lease of land by retired farmers or other landowners to beginning farmers, rather than nonfarmers or neighboring farmers who want to expand. In North Dakota, the new farmers are defined as those with less than $50,000 equity in land, livestock, farm buildings, and farm machinery, who receive more than one-half their income from farming and who have adequate training for farming. A Minnesota program uses a $10-million fund to provide loan guarantees of up to 90 percent on farmland purchases by capable farmers with net worths below $50,000.

A Paullina, Iowa, farmer left for the record a 1949 paper, from his previous career as a rural sociologist, that discussed a study of beginning farmers in the postwar period in Hamilton County, Iowa. It found that kinship—aid from family members—was the critical factor in seven of 10 cases for "new" producers. If that trend continued, he said,

"a hereditary class of farm operators may result. If the opportunity to farm is a privilege which a democratic society wishes to keep open, nonfamily agencies should be encouraged to help those who find it difficult to compete." But he cautioned that, even in major commercial farming areas, the secular economic structure cannot reasonably be viewed apart from the social-family structure and network.

Effect of Taxes

References to Federal tax problems overlapped the land issues in the discussions of agriculture's pivotal problems.

More than a dozen witnesses at some point said the investment tax credit—along with some lending programs—subsidizes nonfarming individuals and corporations who erect large hog-feeding or other operations, takes markets away from family farmers, and bypasses local suppliers and buyers. At the same time, they said, these credits are not available to smaller operators or parents seeking to establish their children in farming operations. Several suggested eliminating investment tax credits altogether, while some recommended limiting their use in agriculture to family operations. A few said the provisions should be expanded to aid small farms.

Inheritance taxes were the other frequently mentioned tax concern. Witnesses said inheritance taxes disadvantage families seeking to pass on their farming operations to their children. They recommended this policy be reversed.

Government

And there were a few witnesses, such as the president of the Iowa Farm Bureau, who felt, "Government, through its policies and programs, is the major threat to the continuation of a strong family farm-dominated agriculture . . . because it is most responsible for inflation." A third-generation Moville, Iowa, livestock and corn farmer wrote that policy and program surprises were the greatest threat: "The greatest fear we have to our way of life as a family farmer is governmental decisions."

The Government's proper role, some said, is to get out of agriculture.

A Nebraska cattle rancher commented, "You don't have to worry about the family farm. The family farm can take care of itself . . . We do need hands off our prices, so they can rise and fall according to supply and demand. We don't need government intervening to give the consumer a cheap meal ticket." She added, "Food should be everyone's biggest expense."

In the same vein, a Minnesota dairyman said he did not think the trend to fewer, larger farms means the family farm is dying. It "has merely matured into a more efficient and effective means of supplying . . . food and fiber . . . If Government must play a role in the future of agriculture, let it be less."

Other Issues

But, as the excerpts from witnesses who saw other matters as the crucial question show, most of the testimony included recommendations for Federal Government actions, or at least thoughts along a more philosophical vein regarding an appropriate role for Government in today's agriculture.

In addition to those already noted, recommendations included more support for production of alcohol fuels to help with energy costs; limiting price supports and disaster payments to "family farms" or gradually reducing the rates as volume increases; turning the Department of Agriculture into an advocate solely of farmers' interests; greater direct technical and management assistance for producers, especially beginners, perhaps through cadres of retired farmers; elimination of various regulations that increase production or processing costs; underwriting community development organizations and local projects that use innovative credit packages to help beginners buy land and equipment; redirection of FmHA credit priorities away from established farmers; reduction or abolition of Federal loans that support growth of specialized farms which are more vulnerable to financial disaster; and, expanded support for cooperatives, as a counterweight to the market power of food industry corporations and marketing conglomerates.

A handful of witnesses also said they felt the USDA was either actively participating in an attack on the nutritional value of red meat or passively allowing other agencies to criticize their product without defending the producers. They urged the Department to at least assure that all available scientific evidence is reviewed and thoroughly tested before officials recommend eating or not eating a particular product.

Summary of Major Concerns

Sioux City witnesses predominantly saw one or more of the following problems as the root cause of agriculture's ills: low prices, deteriorating transpor-

tation, inflation in costs of living and production, high prices and intense competition for land, tax codes that hurt most farmers while helping their larger or corporate competitors, and governmental involvement (either through a relatively passive influence on the economy or an active role as a regulator).

As noted, some presented their concern as one central problem and its resolution a panacea. Others saw a web of problems and solutions, all of which needed simultaneous attention.

For example, the low prices so many saw as the core problem were tied to inflation, competition for land, the trend toward fewer, larger farms, and depletion of the soil. Low prices forced veteran farmers to expand—buying out a neighbor, perhaps, or competing with a beginner for land. The equity-poor beginner has trouble obtaining credit because of price prospects. Or low prices alone can force out the smaller producer. They send the family's adults into town for other jobs to carry the debt. Under such circumstances, spending money on soil conservation takes a lower priority, witnesses related.

At the same time, a deteriorating transportation system—or strikes that snarl it—lowers prices of farm products, further undermining beginners' prospects. To accommodate transportation problems, some felt, farm sizes must increase and the agribusiness infrastructure must shift geographically: a potential threat to dependent rural communities.

Prices were considered "low" in relation to land and production costs, as well as in relation to the median incomes of the nonfarm sector. Because of that, the issue of inflation in land and supply prices—and transportation fees—logically has to be related directly back to those returns. The testimony, while not always making the direct connection, also showed that inflation both provoked and hampered expansion by efficient farmers, while raising the necessary land and credit antes of would-be producers in a self-perpetuating whirlpool.

At the same time that inflation and a need for lower unit costs (to compensate for low prices) increase competition for land, they confer even further advantages on larger operators and wealthy nonfarmers by inflating the value of the assets they use as leverage.

Values and Beliefs

However the witnesses ranked and blended those central concerns, most testimony did contain explicit or, more often, implicit references to underlying sets of personal, cultural, and political values that framed the specific economic perceptions and approaches. The standards of judgment witnesses applied to problems and proposed solutions clearly were rooted in beliefs about the role of agriculture and farmers in American society, as well as the Government's role in relation to agriculture and farmers.

A review of those references shows, predictably, that not all witnesses shared the same set of values—and that the values expressed may not have been consistent with either a witness' self-interest or expressed economic views. But economic concerns often were viewed as a failure to adhere to those personal and cultural values.

For example, links between landownership, farm size and the structure of agriculture were established in testimony primarily as economic questions apparently demanding economic or political solutions. But, more often than not, another link was added. As the North Dakota Farm Bureau put it, its members would consider any attempt to restrict farm size or land ownership, in order to change the present structure, "as a direct attack on individual liberty." Farm size is a function of technology, and thus an economic issue, not a social decision, it continued.

Other testimony invoked other values, as these excerpts show:

—A Paullina, Iowa, producer said the Government must remember that farmers' desires to maintain a rural network of extended, nuclear families are as great a part of their frustrations over who owns land and how land is transferred as taxes and farm size are.

—A Bertrand, Nebr., woman, whose grandchildren are the sixth generation of farmers in the family, said the inability of producers to achieve a fair price is destroying not only the farm economy but also family units and the "backbone of this Nation" by "forcing" mothers to work in town.

—A fourth-generation Sioux Center, Iowa, producer wrote that farmers are leaders in developing the "most productive and efficient agriculture system in the world" and this system, based on group work, if it provides a reasonable return, holds families together.

—Iowa State University researchers expressed their concerns that the structure-related problems are increasing psychological stress within farm families. They noted a recent eight-county survey that concluded that 11 of the 15 most distressing "life events" in the families were farming-related.

—A spokesman for Roman Catholic bishops said his church's interest in preserving a system rooted in small- and moderate-sized farms stems from "an

insistence on values as well as technology." Because it believes the family farm has been one of America's "most pervasive cultural symbols," his church is concerned that absentee farm ownership and nonfarm-investor involvement in agriculture are dissolving the family farm. The system the church prefers, he said, features a resident owner-operator as the ideal farmer—a humane, responsible, and efficient producer of food, tied to land that "is a gift from God. The farmer should pass it on unimpaired." Widespread ownership of the land, moreover, is one of the strongest underpinnings of political democracy, he said. Indeed, the values questions for him were the central issue: "A fundamental choice (of) life or death for a tradition."

—That same political democracy, however, dictates that the Government never impose controls on the size and nature of landholdings, several witnesses responded. Others agreed with the bishop that social responsibility requires some disciplines. "Personal property ownership is a basic and natural right of the citizens of our country. Land, of course, is a very important segment . . . Any erosion to that right weakens all other rights," said one man.

—A State official said that "a piece of land" is a linchpin of the American dream.

—A South Dakota cattleman said freedom of choice must be preserved for those who wish to begin farming. Others were saying choice must be limited, to dissolve the barriers those same men and women face.

—A Nebraska livestock feeder said the Constitution protects a free-enterprise commercial system. "You can't eat a 'way of life'," he added. Another Nebraskan said the profit motive inherent in free enterprise is the farmer's inspiration, and "I will storngly object to any Government operation that would hamper the efforts of (enterprising farmers) once a certain-sized operation is achieved. This would substitute a standard of mediocrity in place of the level of excellence that now exists." He urged other witnesses to stop being nostalgic about a pattern that never existed, "and let the free-enterprise system continue to refine our industry."

—An Osmond, Nebr., farmer of 560 acres wrote that farm programs "do absolutely nothing for the small farmer," but the pattern of family farming that exists nonetheless has produced excellent national leaders "because of living closer to nature and being exposed to a wider scope of problems and personal responsibilities."

—But another representative of the National Catholic Rural Life Conference, who is also a small, diversified farmer in South Dakota, said the present structure "has been nurtured, has grown, and has matured around a particular kind of religious belief, a belief that man has the right to be the ultimate manipulator of the world around him," bolstered by technology, science, and rationalized economy that obviates a need to be responsible for future consequences. Patterns of industrialized structures, including agricultural ones, show an instability of production and a carelessness with natural resources, she said.

—A director of the Center for Rural Affairs, which has been studying structural issues for seven years, urged that emphasis on efficiency as a positive value be balanced with an emphasis on equity for all farmers, as an overriding value of public policy.

—Many said farmers were treated as second-class citizens, although their productivity is renowned and they are—the bishop and a score of witnesses agree—the moral stewards of the Nation's soil.

—Yet a farmer who is also a State official said Government programs must be flexible because "farmers always figure a way to beat" their conditions.

—A Nebraska dairy and beef cattle farmer, who also works off the farm, criticized those who complained about prices as "overproducers." He said, "Farmers are asking you to do something that they should have done themselves . . . They are wanting somebody else to hoe their row." Greater trust among farm groups and between farmers and the Government is needed to begin solving problems, he said.

—A long time agricultural lender and lifetime farmer said bankers weigh a younger farmer's personal values as much as his management ability when deciding on long-term credit. Farmers, however, find it "awfully difficult not to look at the short-run return" before respecting their other values, such as a need to restore soil fertility, he said.

"Values are the ideas people have about how reality ought to be. Family farming as a value is more nearly a means than are certain other values which are more nearly 'ultimate' ends . . . ," a Paullina, Iowa, farmer wrote in a 1951 scholarly article during his days as a rural sociologist and which he contributed for the hearing record after he spoke during the open microphone segment.

"The future of family-type farming does not depend upon how much people prize family farming in an absolute sense. It depends on the willingness of farmers and nonfarmers to value farming *more* than they prize competing values . . . and on their support

of customs and practices that complement rather than destroy family farming," he concluded.

Mailed Comments

Iowans and Nebraskans collectively sent in about 30 percent each of the 98 letters, articles, surveys, and research studies mailed for consideration and inclusion in the hearing record by the end of January. The total included additional remarks from a few of those who appeared during the open microphone segment and from two panelists.

Although the mail came from the States in roughly the same proportion as the speakers at the meeting itself, the correspondence as a whole showed marked differences from the hearing participants in position and perspective.

The direct experiences of farmers and farm organizations dominated the mailed comments, too, and concerns over farm prices, farm families' incomes, price support rates, and distribution of the benefits of Federal commodity programs did have a slight edge, in the numerical sense.

Landownership: Those describing their farms nearly always had smaller—300 to 400 acres or less—and more diversified operations than the hearing speakers. And, while these mailed comments embraced a far broader spectrum of issues than the hearing itself, the intensity and range of concern over the ownership and condition of farmland in the region, as well as the size of farm units, dominate this part of the record in a qualitative sense.

For example, detailed historical and economic information on British and Canadian systems of governmental purchasing and leasing of limited farmland was provided by a South Dakota State University professor. He suggested such an approach for cooperatives or Government, along with an array of changes in crop insurance, tax codes, and other laws to encourage secure cash renting of cropland. A few others also pointed favorably to those systems.

The professor's studies also indicate to him that the decline in numbers of farms because of consolidation is near its end for units of less than 100 acres; will continue less rapidly in the category of those between 100 and 500 acres; and, will increase modestly in the category of more than 500 acres. He wrote that "the family farm is safe for the foreseeable future" because farm size is limited by the 400 to 600 acres of row crops and 1,000 to 1,500 acres of small grains that a family with modern machinery can handle and do so more efficiently than larger farms with hired workers.

The bulk of the letters urging diversified farming—as opposed to specialization—came from farmers nearing retirement on relatively smaller acreages, who described negatively the plowing, harvesting, and general land-care practices of larger neighbors. They were supported by younger citizens who have been farming only a few years, and members of conservation or organic farming oriented local groups.

While a Minnesota farm organization president echoed the prevailing view from the hearings—that erosion of individual rights to own, use, and dispose of private property would weaken all other personal rights—most writers addressing the subject called for limits on the amount of land any one family could own.

"Soil *is* our wealth," said a Sioux Falls, S. Dak., woman. Since it was here before the owners, "it should exist for the use and benefit of everyone," she added. A Ridgeway, Iowa, man, said: "I believe some sort of land-use policy should be proposed so that a single person can only own so much land unless he farms it himself." He suggested forced sales of the excess, to increase the supply available to beginning farmers. A Hastings, Nebr., man, reared on a farm but not now farming, commented: "The land is a resource ultimately owned by the Nation. It is not for the few to have at the exclusion of all the rest." One letter called for strict laws reserving farmland for agricultural production.

Most of the advocates of limits to land ownership, however, suggested indirect approaches: discouraging the accumulation of large holdings by gradually increasing taxes and/or decreasing price-support payments as a farm's size expanded; changing zoning ordinances to restore urban core areas, before a city's perimeters are stretched into the rural areas; and, making regular soil-improvement practices a prerequisite for Federal program benefits.

A 30-year Waukee, Iowa, farmer suggested basing credit policies on land productivity and crop prices, rather than on competition-fueled equity values, and more intense study of the implication of land ownership trends. He recalled that his Irish and German ancestors escaped systems "where one class owned the land and another class of people farmed the land . . . The relation of man to land in all countries and all periods of history has great effects on social relationships (and) political stability."

The related question of the impact of inheritance taxes on the next generation of farmers and their access to the family's land brought some further calls for higher exemptions for farmers, to keep units in-

tact. But the mailed comments also included several who, unlike hearing participants, supported stiff estate taxes, as a way to break up larger farms; make land available for newcomers and undercut what the farm-reared Hastings man saw as a budding "aristocracy of landowners."

Prices: Most of those who expressed concern over crop and livestock prices, farmers' incomes generally, or support prices not covering production costs made a variety of proposals not stressed at the hearing to graduate loan rates and/or target-price payments. Their new approach would incorporate individual family income with today's criterion of volume of production. These proposals included supporting production at a per-unit loan or deficiency payment of 100 percent parity, but only up to the average national median income for families. A plan with loan rates at 60 percent parity and target prices of 90 down to 50 percent parity, with both programs, in effect, limited to farms with $350,000 or less gross income, also was recommended.

Other comments that contrasted with prevailing views at the Sioux City hearing, brought up new concerns or sharpened the focus of issues raised there, included:

• Far more criticism of the Cooperative Extension Service and the network of land-grant universities, for allegedly neglecting the technological needs of smaller and/or diversified farmers in their research and education programs. For example, a Sidney, Nebr., woman who helps run an 880-acre wheat and cattle farm, commented, "Universities have been used by agribusiness to promote chemicals" that contaminate rural groundwater supplies. A couple farming in Dalbo, Minn., for two decades said that Extension information material presumes a poorly educated rural population "and is outdated and repetitive." The land-grant universities should "stop treating us as losers," wrote the head of the South Dakota Resources Coalition, an organization "committed to ecologically responsible agriculture."

• "Until we know much more about farmwomen . . . we cannot know how better to firm up structures that support the farm family in its entirety," wrote a New Sharon, Iowa, woman. "Farmwomen are attitude shapers. They have a great deal to do with whether or not their daughters and sons view agriculture as a positive choice for vocation, whether or not a small town remains vital, enriching the families who live in and nearby," especially when their families' land tenure is more limited and less secure. The "triple-day phenomenon" of a town job, farmwork, and household chores adds to a climate of conflict, increasing the potential for the breakup of farm families and a reduction in the pool of farm-raised new farmers, she wrote.

• "Use the (anti)-pollution laws to limit herd size to 100 sows or whatever is deemed necessary for a one-family operation to make a living," wrote a Pleasantville, Iowa, man who has been farming 35 years and is concerned that giant hog-feeding operations may overwhelm that market. A Blair, Nebr., man, farming as long, said that a network of such large operations would add to the overall freight bill for feed and, by undercutting small-farm livestock production with concentrations, mean less manure getting back to the land.

• An anti-expansionist Luzerne, Iowa, farmer wrote that family farmers "like to farm. To them it is a way of life. They don't plan to get rich (and) do not have that long greedy stare of the big operator." But the president of the Minnesota Farm Bureau wrote, "Rather than a way of life, farming is a livelihood and the opportunity to make a profit," which may depend on expansion.

• This century's technological advances may be the predominant factor in farm structure because they remove persons from reality, leading them to believe they are not bound by limits, commented a Bennington, Nebr., farmer, an officer of the Bio-Dynamic Farming and Gardening Association of America—an organization advocating small, diversified farms.

• A Hildreth, Nebr., farmer remarked that he has always supported his local cooperative but added: "They do little . . . to save our farms."

• Agriculture is obliged to provide the public with food and preserve the soil as a future resource, while society's obligation is "to provide a climate where agriculture can best carry out its work," wrote a Carrington, N. Dak., man who grows small grains and sunflowers on 800 rented acres.

• "The problem is not low farm income. It is all greed, which is being fed by Government farm program payments," a 480-acre cattle-and-hog farmer from Hebron, Nebr., wrote.

• North Dakota's Commissioner of Agriculture wrote that, if farm prices were at higher levels in relation to parity, producers would be less likely to engage in land speculation. Better farm prices would help farmers . . . be more content to derive their income merely from the production of the commodities produced on their farms," rather than from speculation in land values.

• A 1,300-acre Waukee, Iowa, producer commented that the trends toward large operations were

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"not 'made in heaven' (but) are the planned and unplanned results of Government programs . . . It would be a major accomplishment if we could see to it that Government operations are, at least, neutral."

Panelists: Michael E. Booth, Sr., Walton, Nebr., farmer, president, Nebraska Young Farmers and Ranchers Association; Jack Chace, Pilger, Nebr., director, Land O'Lakes, Inc., farmer; Delwin D. Cross, Killduff, Iowa, master, Iowa State Grange, farmer; The Most Rev. Maurice J. Dingman, Des Moines, Iowa, bishop of the Catholic Diocese of Southwest Iowa; Robert Duxbury, Wessington, S. Dak., rancher, former Secretary, South Dakota Department of Agriculture; Riley Gillette, Spencer, Iowa, farmer; Lowell E. Gose, Jefferson, Iowa, president, Iowa Farmers Union; Burt Guthmiller, Delmont, S. Dak., farmer; Myron Just, Bismarck, N. Dak., Commissioner of Agriculture for North Dakota, farmer; Dean Kleckner, Rudd, Iowa, president, Iowa Farm Bureau, farmer; Robert D. Knorr, Sawyer, N. Dak., North Dakota Wheat Producers, farmer; Pat McGinley, Oshkosh, Nebr., president, Nebraska Stock Growers Association, rancher-feeder, Leslie W. Peterson, Trimont, Minn., president, Farmers State Bank of Trimont, farmer; Michael Rose, Landgon, N. Dak., chairman, North Dakota Family Farm Committee, farmer; Willis Rowell, Edgewood, Iowa, National Farmers Organization; Bob Rumpza, St. Paul, Minn., assistant to the president of the Minnesota Farmers Union (for Gene Wenstrom, director, Minnesota Farm Structure Project); Don Ruud, Elbow Lake, Minn., Communicating for Agriculture, Inc., farmer; Richard Sorensen, Wayne, Nebr., farmer; Marty Strange, Walthill, Nebr., co-director, Center for Rural Affairs; Shirley Yost, Harvard, Nebr., eastern spokeswoman, Nebraska Women Involved in Farm Economics.

Open Microphone: Richard P. Beerman, Dakota City, Nebr., agribusinessman; Leatrice Benson, Appleton, Minn., farmer; Tom Senson, Appleton, Minn., farmer; Gerald P. Blonigen, Paynesville, Minn., occupation not given; L. A. (Tony) Braunagel, Devils Lake, N. Dak., secretary-treasurer, U.S. Durum Growers Association, farmer; Patricia Cook, O'Neill, Nebr., rancher; Stan DeBoer, Smithfield, Nebr., American Agriculture Movement, farmer; Dean H. Dodd, Hampton, Iowa, farmer, Thomas C. Dorr, Marcus, Iowa, Iowa Corn Growers Association, farmer; Raymond Durner, Bartley, Nebr., farmer; Karen Dvorak, Sioux Falls, S. Dak., state director, office of U.S. Senator Larry Pressler of South Dakota; Duane T. Eggers, Tilden, Nebr., National Farmers Organization of Nebraska, American Agriculture Movement of Nebraska, farmer; Bob Eilts, Central City, Nebr., farmer; Galynn Ferris, Palmer, Nebr., farmer; Pamela Frecks, Cambridge, Nebr., farmer; Merle Hansen, Newman Grove, Nebr., farmer; Marvin Horn, Boyden, Iowa, chairman, Division IV, Associated Milk Producers, Inc., farmer; Joyce Jobgen, Scenic, S. Dak., farmer; Anne Kanton, Milan, Minn., farmer; Max Kellough, Friend, Nebr., president, Nebraska Livestock Feeders Association, farmer; Armin Leising, Arapahoe, Nebr., farmer; Maxine McKeown, Bushnell, S. Dak., National Catholic Rural Life Conference (Sioux Falls Diocese) and South Dakota Resource Coalition, farmer; David Muff, Crete, Nebr., farmer; George Naylor, Churdan, Iowa, farmer; JoAnne Neuzil, Iowa City, Iowa, American Agri-Women, freelance writer, farmer; Elmo R. Olson, Finley, N. Dak., retired farmer; Ben H. Radcliffe, Huron, S. Dak., president, South Dakota Farmers Union; Robert A. Rohwer, Paullina, Iowa, farmer; Paul A. Rosberg, Wausau, Nebr., farmer; Larry Shepperd, Bassett, Nebr., president, North Central Nebraska Resource Conservation and Development Planning Council, farmer, county commissioner; Luella E. Stevens, Gothenburg, Nebr., Women Involved in Farm Economics; Armin Tesch, Waldorf, Minn., president, Waseca County Farm Bureau, farmer.

Written Comments: Hubert F. Boelts, Jr., Archer, Nebr., farmer, independent businessman; Fred Branz, Waco, Nebr., farmer; Lee Carskadon, Edison, Nebr.; Charles F. Cunningham, Sioux City, Iowa, president, Iowa Meat Fabricators; U.S. Representative Tom Daschle of South Dakota; Drs. Ruth E. Deacon and Elizabeth A. Elliott, College of Home Economics, Iowa State University; Don Eret, Dorchester, Nebr.; Shirley Ford, Bertrand, Nebr., farmer; Joe Fuhr, Fremont, Nebr.; Thomas Gustafson, Wakefield, Nebr., farmer; Marian Haney, Talmage, Nebr., farmer; Julius Hoffman (address not given); Bob Johnson, Hastings, Nebr.; Allen Kreuscher, DeWitt, Nebr., president, Nebraska Corn Growers Association, farmer; Keith Kuhn, Moville, Iowa, farmer; Phillys Person Lyons, McCook, Nebr.; North Dakota Farm Bureau; Jay O'Laughlin and Paul V. Ellefson, Department of Forest Resources, College of Forestry, University of Minnesota, St. Paul, Minn.; S. Robert Pearson, administrative assistant, Northeast South Dakota Community Action Program; Dick Piersol, Lincoln, Nebr., reporter The Lincoln Journal; Pam Potthoff, Trenton, Nebr.; Wilmer Rensink, Sioux Center, Iowa, farmer; John Schnoor, Osmond, Nebr., farmer; Bertha Schroeter, Brayton, Iowa, farmer; Gail Sohler, Yankton, S. Dak., livestock market owner, president-elect, Livestock Marketing Association; Norman A. Spencer, Moville, Iowa, farmer; Alan L. Stubbendick, Avoca, Nebr., farmer; Shirley Vogel (no address given).

Mailed Comments: unsigned letter, Woden, Iowa; Robert V. Andes, Sr., president, North Dakota Association of Soil Conservation Districts, Bismarck, N. Dak.; Clayton Ashley, Antler, N. Dak.; Harold Aubert, Brunswick, Nebr.; Dr. Russell L. Berry, associate professor, South Dakota State University, Brookings, S. Dak.; Robert C. Berthosen, Gilman, Iowa; Ralph Bock, Beatrice, Nebr.; Leo Boddicker, Newhall, Iowa; Timothy L. Broer, Iowa Falls, Iowa; Robert K. Buck, Waukee, Iowa; Arthur C. Buffington, president, Federal Land Bank of Omaha, Nebr.; Oscar Bunting, Pulaski, Iowa; Henry A. Burke, Leeds, N. Dak.; Neil Burmeister, Apple Valley, Minn.; Ruth Weyker Cashel, Worthington, Minn.; Coalition to Preserve Family Farms, Sioux City, Iowa; Charles R. Crane, Pleasantville, Iowa; Millard F. Dailey, president, Minnkota Power Cooperative Inc., Grand Forks, N. Dak.; Albert W. Elling, Hampton, Iowa; Beverly B. Everett, New Sharon, Iowa; Arthur Fangmeier, Hebron, Nebr.; John Florea, Aurora, Nebr.; Albert Foreman, Batavia, Iowa; Richard Fossum, chairman of the board, Eastern South Dakota Soil and Water Research Farm Inc., Madison, S. Dak.; Norman Gfeller, Slater, Iowa; Walter William Goeppinger, Boone, Iowa; Thomas L. Gust, Ames, Iowa; Elton J. Haarberg, president, Nebraska Wheat Growers Association, Ogallala, Nebr.; Clinton Haroldson, president, WesMin Resource Conservation and Development Association, Alexandria, Minn.; Earl O. Heady, Iowa State University, Ames, Iowa; George P. Heikens, Ellsworth, Minn.; Stanley J. Hennen, Morris, Minn.; Herman H. Hovendick, Blair, Nebr.; Mr. and Mrs. Wilson Howe, Alvo, Nebr.; Dean Humpal, Ridgeway, Iowa; Rich Hungerford, American Midlands Inc., Omaha, Nebr.; Robert L. Johnson, Hastings, Nebr.; Myron Just, Bismarck, N. Dak., North Dakota Commissioner of Agriculture; William Kary, Norris, S. Dak.; Robert G. Keiner, Chamberlain, S. Dak.; Jack Kenning, Spring Valley, Minn.; John J. Kooiker, president, Christian Farmers Association, Sioux Center, Iowa; Francis L. Lair, executive vice president and general manager, Universal Cooperatives Inc., Minneapolis, Minn.; Roger and Beverly Larsen, Dalbo, Minn.; Jim and Barbara Leach, Atlantic, Iowa; Michael T. Leniers, Portmouth, Iowa; Marian Lenzen, Sidney, Nebr.; Charles Linderman, Carrington, N. Dak.; Merlyn Lokengard, president, Minnesota Farm Bureau Federation, St. Paul, Minn.; Robert Marisch, Spalding, Nebr.; Mrs. Joe Mazour, Lawrence, Nebr.; Mildred McCloskey, Sioux Falls, S. Dak.; John McDowell, Clarksville, Iowa; Pat McGinley, Oskosh, Nebr.; Paul E. Messmer, Wessington Springs, S. Dak.; Al Miller, Arnold, Nebr.; Glenn Miller,

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North English, Iowa; Kevin Naber, Hastings, Nebr.; Jay O'Laughlin, College of Forestry, University of Minnesota, St. Paul, Minn.; Treasure Omdahl, Warren, Minn.; Jack Paulson, Fremont, Nebr.; Lawrence G. Peichel, Brown County Extension director, Sleepy Eye, Minn.; Erwin W. Phelps, Sidney, Nebr.; Lavern Plambeck, Omaha, Nebr.; David Podoll, Fullerton, N. Dak.; Wilmer Rensink, Sioux Center, Iowa; Archie Rickersten, Dickens, Nebr.; Jack Rose, Wimbledon, N. Dak.; Wayne A. Ruona, Detroit Lakes, Minn.; J. Blaine Runner, Ashby, Nebr.; Mrs. R. B. Saar, Rogers, N. Dak.; Wesley Sandall, Bassett, Nebr.; Jack W. Sandman, Wauneta, Nebr.; James Scherer, Eldon, Iowa; Len Schropfer, Milligan, Nebr.; Dennis T. Scott, Sioux City, Iowa; Ray Sic, North Bend, Nebr.; George A. Sinner, Fargo, N.D.; Stan Sipple, executive secretary, Nebraska Corn Growers Association; James W. Skillen, Sioux Center, Iowa; Vincent Spader, president, Soil Association of South Dakota, South Dakota Resources Coalition, Brookings, S. Dak.; Robert Steffen, Bennington, Nebr., vice president, Bio-Dynamic Farming and Gardening Association of America; Sylvester L. Steffen, New Hampton, Iowa; William A. Stegner, Rhame, N. Dak.; Marty Strange and Don Ralston, co-directors, Center for Rural Affairs, Walthill, Nebr.; Merrill F. Struble, Turin, Iowa; Paul Symens, Amherst, S. Dak.; Douglas Taylor, Danube, Minn.; Mrs. L. A. Uggla, Brooklyn Center, Minn.; Richard Van De Pol, Iowa State University, Ames, Iowa; Emil W. Vileta, Luzerne, Iowa; Philip Vrana, Hastings, Nebr.; Fay R. Wells, Le Mars, Iowa; Arthur Wilken, Hildreth, Nebr.; Arvid J. Winkler, Valley City, N. Dak.; Francis L. York, Farmers Market Services Inc., Indianola, Iowa; Heladio F. Zavala, executive director, Minnesota Migrant Council, chairperson, Midwest Association of Farmworker Organizations, St. Cloud, Minn.

Sedalia, Missouri
December 5, 1979

(Arkansas, Kansas, Missouri)

More than 800 persons came to Sedalia's red-brick Liberty Park Convention Hall on December 5 to participate in the discussions of agricultural policies and how they affect farmers and other citizens in Arkansas, Kansas, and Missouri Director of Agriculture. meeting on the structure of American agriculture and rural communities, Secretary Bergland was joined by Howard W. Hjort, USDA director of economics, policy analysis and budget, and Jack Runyan, Missouri Director of Agriculture.

Of the 21 scheduled panelists—divided into 5 groups over the morning and afternoon sessions—8 represented farm organizations. Seven farmers speaking as individuals shared panels with a church spokesperson, a university professor of agricultural economics, a farm cooperative officer, a banker, a consumer group representative, and community nutrition group coordinator. Seven panelists who were speaking primarily for others also were farmers or ranchers.

Following the panel discussions, 32 men and women stepped up to the microphone to add their comments and suggestions. Twenty of them spoke as individual farmers. Three other producers were among the two teachers, two students, four farm organization representatives, a retired agricultural journalist, and a nun representing the Missouri Catholic Conference who spoke.

Nineteen written comments from speakers and spectators were left at the meeting for inclusion in the record. Of these 19, 5 claimed to be farmers, 3 indicated they were farmwomen, 3 said they were college students, 2 represented the agribusiness community, 1 said he was a small businessman, 1 said she was an officer in a farmer's market, and the remaining 4 did not indicate their occupation.

Regional Profile

Located in an area that once grew "prairie grass as high as a mounted man's boots," today Sedalia is a rural community of 25,000 residents in west-central Missouri. An Army general's land transactions with the Missouri Pacific Railroad in the 1850's helped give the town its commercial base as one of the early railheads for shipping cattle to eastern markets.

Agriculture accounted for 4.8 percent of total personal income in Arkansas, Kansas, and Missouri in 1977. That proportion does not truly reflect agriculture's normal role in these States' economies, however, because 1977 (the last year for which final figures are available now) was one of severely depressed grain prices. Nonetheless, farming plays the largest role in this region of any of the 10 regions embraced by the hearings, except the Sioux City, Iowa, area. The $10.7 billion in farmers' cash marketings in 1978 in these three States represented 10 percent of the national total sales. Of the $10.7 billion, $6.5 billion came from livestock—which accounts for some 59 percent of Missouri farm income alone.

Preliminary 1978 figures show an average farm size of 290 acres in Arkansas, the Nation's leading producer of rice and broiler chickens. The average was 274 acres in Missouri and 670 acres in Kansas. Cattle is the top-selling commodity in Kansas and Missouri, which are among the top 10 farm States in terms of sales. Kansas, with its "amber waves of grain," is also the Nation's number one wheat producer. Soybeans lead the parade of commodities in Arkansas farm sales. Along with hogs, cattle, wheat, and soybeans are important commodities throughout the region. Rice and cotton are among the other significant commodities in Arkansas; corn and sorghum, in Kansas; and dairy and eggs, in Missouri.

Kansas also accounts for 12 percent of the flour milled in the United States.

The American Farm Bureau Federation, National Grange, National Farmers Organization and American Agriculture Movement have State chapters in all three States, and the National Farmers Union has State organizations in Kansas and Missouri. The Center for the Biology of Natural Systems, directed by Barry Commoner, is located at Washington University in St. Louis, and has produced several studies on organic farming. New Life Farm, a private operation in Drury, Mo., is known for its demonstrations of such organic techniques as producing methane gas from manure.

There is wide interest in the region in gasohol development and promotion, with special tax provisions for the fuel in Arkansas and Kansas. Increased grain exports also are of prime concern—a byproduct of the millions of acres of grain, the rail and water transportation network, and the extraordinary role played in marketing by regional cooperatives.

Three of the 10 largest co-ops have members in these 3 States. Three others are among the 25 largest cooperatives. These six are Farmland Industries Inc., Mid-American Dairymen Inc., FAR-MAR-CO Inc., Riceland Foods, Farmers Export Company, and Missouri Farmers Association.

Kansas has adopted the "multi-State grain marketing compact," which calls for a study of grain marketing practices, and Missouri has created a State committee on that subject. Both States have legislated restrictions on corporate farming, and Missouri and Arkansas have imposed special reporting requirements on foreign owners of farmland. Missouri also conducts a small farm Extension program using paraprofessional agents to aid limited-resource farmers.

Key Issues

No one issue clearly dominated the Sedalia meeting, but a distinct sense of community became apparent as the day progressed. The "community" was that of agricultural producers—family farmers as small business—oriented toward other local businesses and institutions. Accordingly, the witnesses' repeated concerns involved programs, policies, and trends that, instead of reinforcing the valued community, appeared to be altering its base.

For example, the growth of absentee ownership and/or nonfarm corporations in production, expansion, and increased specialization of farms; foreign investment in U.S. farmland; vertical integration of food lines from production through consumer marketing; marketing monopolies; and, tax advantages to outside owners repeatedly were addressed.

Generally, the farmers and farm organization officers who testified seemed to use the traditionally described family farm and the local farming community as their litmus test in judging changes. Any erosion in the health of this structure signalled an unhealthy development for many at Sedalia.

Farm Survival

That concern with the health and enrichment of the community was tied by the witnesses directly to the survival of its farms and farm families.

For example, some witnesses saw the key to their survival in growing one grain crop over large acreage, but felt their operations were being undercut by inflation. Others advocated diversity on farms—with livestock and a variety of crops—so good market years for some would offset slumps in others. Other participants explained why they had decided to sign, or resist, contracts with corporate buyers to raise broiler chickens to specification.

In recent years, the broiler industry has become almost entirely vertically integrated, that is, the production and marketing to the retail level are linked in advance either by contract or ownership.

Some participants said they believed such specialization—which often means expansion for grain growers—may have produced economies of scale and related economic benefits for farmers. Others expressed concern that specialization imposes social costs that may not be immediately noticed and/or may hurt farmers economically by making them more vulnerable to crop failures or sharp price drops.

For example, one farmer felt such outside pressures as changing technology and rising gross production costs *forced* him to expand and specialize. "I need more land like a hole in the head, but I need more land to make it work," he said, predicting that a continuation of the trend might mean his children's operating 1-million-bushel wheat farms. His expansion, he admitted, came at the expense of neighbors. He added: "I would give up a lot of my freedom . . . to keep my friends there (in farming)."

An Arkansas farmer, when asked his view of the fundamental reasons for a continual decline in the number of farms, also pointed to factors outside actual production. He said "farmers have found themselves buying their input items from a market that is

relatively fixed because it is concentrated and, therefore, it is price administered—and (they) sell in a market that perhaps equally is so." He added: "Between those two millstones, there is no way to keep dispersed many thousands of units . . . none of which are large enough to largely affect the markets on each side of it . . . That's basic and until that's changed you can do all the other things and you simply will not stabilize structure—if we talk about structure from the standpoint of the number of farmers and size of farms." He said that cooperatives and Government price-support programs were means to assure countervailing market power for producers.

Achieving market power by combining production and sales or distribution was seen as both a solution and problem. A Lebanon, Mo., farmer, who manages a 2,000-hog operation with her husband, testified: "We read about hog farms with thousands of sows and we can imagine the clout this organization has when they purchase feed and supplies . . . . (At the other end of the chain), if the packer is assured of being able to acquire his weekly kill from one farm, where will we sell our hogs?" she asked.

A 23-year-old Pacific, Mo., farmer noted how Federal income tax credits for investments were used by outside investors to erect large hog-production facilities. He said this shift toward vertical integration of hog farming takes markets away from beginning farmers, who traditionally have used hogs as "mortgage lifters" when grain market returns have been less predictable. He said: "A diligent young man previously could be assured of reasonable amounts of success by concentrating his efforts in a labor-intensive area of feeder pig production. The advent of the 30,000-sow operation, along with numerous other factory-type units owned by investors that really haven't got any interest in the continuing success of the family farm, will take the hog industry to the same cruel death as the poultry industry . . . . This (investment tax) credit is allowing big corporate operations to squeeze the family farmers, the beginning farmers, and everyone else out."

However, a northwest Arkansas farmer—once an independent producer but now raising poultry under contract to an outside company—pointed to what he saw as overriding virtues of such integration: less risk. Without a contract, he said, he did have an opportunity to earn "twice as much per unit," but also had to face the possibility of failure.

Now, while he makes less money than in his best years, the buying company absorbs the market risks. In addition to providing an easier way for young farmers to become established, he said, contract production allows farmers with marginal land for crops to stay in farming.

A farm cooperative president from Charleston, Mo., said specialization and integration were founded "in every other facet of our economy" and it would be difficult for individual farmers to "buck the trend." In his own county, with compatible geography, terminals, and access to the Mississippi River, farm size, planting patterns, and the overall structure were geared to and reflected the demand from other Nations for U.S. grain, he said. "Everything we grow is for export, and farms, therefore, were not diversified." That export capacity is widely hailed for both economic and humanitarian reasons, others noted.

A representative of the Agribusiness Council of the Missouri Chamber of Commerce defended the practice of gearing production to the market and the economy as a whole, saying, "Today's farmer is a businessman in every sense of the word." His organization is concerned that national policies "not discriminate against a corporate form of agriculture, especially in the light of the development of family-held corporate farms and today's capitalization, technology, and efficiency requirements."

A Mid-Continent Farmers Association spokesman said three large-scale "hog production units could come into the State of Missouri and do everything that every farmer is doing in the entire State right now." Over the last decade, 50 meatpackers who bought from a Missouri-based livestock association have either folded or been absorbed by other packers, he said.

Such parallel reduction in the production and processing links of the food chain, as far as livestock is concerned, "will be detrimental to the agricultural structure as well as the total economy if it gets to the point where a few corporations can set the price of a commodity or determine levels of production or be able to substantially curtail that production," he said.

A farmer and community organizer from the Ozarks said renewed emphasis by Government and the agricultural community on diversity in farming would assure "plentiful food for us all"—in the same way that "the diversity of the genetic pool in any species . . . offers us the opportunity for adaptation to local conditions." She added: "Diversity is nature's way. Farmers should be encouraged to diversify, rotate, and be innovative of the crops they produce. There must be diversity in the system of food delivery and marketing firms. Smaller systems of regional self-sufficiency can insure higher-quality, locally profitable agriculture. . . . There must be an

alternative to losing control over our means of food production."

Adding another aspect to the discussion, a Kinsley, Kans., spokeswoman for Women Involved in Farm Economics (WIFE) said three corporate farms in one Kansas county operate a total of 14,600 acres with hired help that "works from 9 a.m. to 5 p.m., 5 days a week, and contributes only problems to our community." The three corporate farms have delinquent local taxes of about $65,000 and unpaid bills at three local cooperatives—jeopardizing the financial condition of those market outlets and supply sources for the area's other farmers, she said.

Landownership

The Sedalia witnesses' concern for their communities went beyond the organization of individual farms. Directly tied to this overall concern, because of trends in some area toward nonfarm investment in large-scale enterprises, were discussions on ownership of productive land by absentees, and its effect on local farmers' opportunities.

A Missouri NFO representative said "this idea of a caste system in agriculture—one of absentee owners and tenant operators, and maybe another group of financiers controlling the actual production—is abhorrent to me and it should be to a lot of others, including the USDA."

An agricultural economist testified it might be acceptable to begin farming as a tenant, and it might be acceptable to farm 400 acres of one's own land while renting 100 acres more. But, he said, it is "pathological" for a farmer to own 40 acres and lease 460. In that situation, money in the form of rent flows to often absent landowners, "a paper return to appreciated land values, rather than a dollar and cents return to actual operation."

The rising land prices of the 1970's have made it more profitable to buy and sell land as a nonfarmer than to produce food, observed a nun from Jefferson City, Mo.

Such investment, if undertaken by foreign interests, drew an even more negative reaction. The Kansas State Grange representative suggested States "prohibit foreign investors from purchasing or owning farmland unless they establish permanent residence within the area of their ownership and become U.S. citizens."

An 800-acre farmer from northeast Missouri commented: "I don't think it is right for the next generation to be 'sharecroppers,' . . . to a 'nightclub owner from Spain,' as happened in our community last year."

Taxes

The effects of tax policy on family farms were addressed by a wide range of participants. Missourians, in particular, voiced the opinion that tax codes aided interests outside the local farm community more than family farmers.

A spokesman from that State representing Communicating for Agriculture, Inc., for example, was concerned about the numbers of nonfarm investors in agricultural operations, especially professional people, investing in the cattle feeding business without an apparent wish to make a profit. "They are looking for a tax shelter (for income from other sources), and that's why they are there in the first place . . . . They are renting the land out to tenants and . . . personally, they may not desire to make a profit," he said.

A Lebanon, Mo., woman said outside investors "should not be allowed the investment tax credit advantage." But the president of a farmers' cooperative said such a restriction on tax credit provisions might prevent him from investing his farm's profits in a shopping center as an outside investment of his own.

Likewise, several witnesses favored repeal of inheritance taxes on family farms, or a greater exemption to reflect the high value of the land to make it easier to keep operations within a family and/or avoid selling off part of a farm that is efficient at its present size. But a small-acreage farmer and spokesman for a church group sought just the opposite, urging "tougher inheritance laws to make land more available." He also called for "a progressive tax on farm real estate, based on its productive capacity," as a way to "limit size of farms and discourage absentee ownership."

Others said eliminating the inheritance tax on farmland would make the properties more attractive to investors, and fuel both land-price inflation and absentee ownership.

A Kingdom City, Mo., farm wife and university sociologist—in detailing her position that Federal agricultural policy and thinking on structural problems does not treat farmers as family units—said the tax codes ignore farmwomen. "How totally insulting, if not unfair, to pay inheritance taxes and State taxes on that which you yourself have earned," she said. Other participants said farm men do not have to pay the taxes when farmwomen die first.

A Defiance, Mo., cattlewoman testified there are ways to use fiscal policy to shore up both family

farms and the Nation's soil resources. She proposed a 2 percent tax on agricultural exports, with the revenues—$460 million, if annual exports were $32 billion—earmarked for soil conservation programs that witnesses throughout the hearings have said were underfunded.

Erosion that sends some 132 million tons of silt a year into the Missouri and Mississippi rivers, and the loss of 100,000 acres of farmland to urbanization and other development each year, she said, "are putting us on a collision course with increased pressures for production for overseas exports."

Production Capacity

As already noted, export demand and the region's geographic compatibility with it were cited as motivating factors for developing new technologies to increase productivity and, consequently, as a force behind increases in average farm size. But several witnesses said the response to that demand has taken its toll on the condition of the land. They were concerned about the continued capacity of the land to produce such huge crops.

A Mexico, Mo., farmer said, "We are gutting our land to pay for (imported) oil. A lot of marginal land in our area has been broken out of sod and (is) washing away, just because the export market is here. I know our export business is essential, but let's not rape the land to fulfill the demand." A Kansas Farmers Union officer said farming practices undertaken in the name of "productivity" are counterproductive if they destroy the land. He added: "We take a few crops out of it real quick, and, if you want to look at the Sandhills of Nebraska, you can see probably the best example in the United States of this, and some around the Arkansas River valley in Kansas, where people were out and actually plowing pure sand, pouring water and fertilizer on it and selling this grain. I don't call that an increase in productivity. I call that a bunch of damn foolishness. In the end, we are all going to pay for it."

As more hillsides are shifted from pasture to row-crop production and more "get-ahead" techniques, such as fall plowing, are used, said a Fayette, Mo., farmer, the soil-erosion problems increase.

He suggested using the tax system to fight deterioration of the land. He claimed four decades of conservation programs administered by ASCS have met with "discouraging results," so they should be replaced with an addition to the investment tax credit rules that allow soil conservation work to be considered as such an investment.

A Moberley, Mo., farmer, endorsing such special tax provisions, argued against a long-standing proposal that price-support loans or any set-aside incentive payments be withheld from producers who do not undertake conservation measures.

The NFO representative from Missouri said family owner-operators are better caretakers of land and more inclined to leave marginal lands in grass than corporate farm managers, who would plow it up to increase profits. "I think if we have corporate agriculture, we will see creaming of the land, so to speak, with the desire to maximize profits each year," he testified.

A lifetime farmer from Prairie City, Iowa, proposed an alternative approach that would incorporate limits on the quantity of land owned rather than restrictions on Government program benefits. Under his proposal, a farm could expand only if 90 percent of its present acreage had an active soil conservation program approved by ASCS and SCS, and its soil loses were within suggested limits for the area. If this were not the case, then, the new land to be bought would have to be under such a conservation program, and the farmer would have to pledge to maintain it.

"This type of thing . . . would really drop a couple of pipe wrenches into the cogs of the large operations. They are going to enter into terrific problems of acquiring the goals of having 90 percent of their land in a soil-loss limit program," he said. At the same time, however, he said that he hoped "the free enterprise system of agriculture will not be tampered with by more governmental red tape or altered by . . . socialism."

The soil situation, said an officer of the Kansas State Grange, is akin to that of oil and other fossil fuels. "Farmland is just as depletable as oil . . . ," he said. If the losses are not reversed, "the United States may one day face another resource crisis to rival our current energy problem."

Energy

The relation of that energy problem to the strengths and vulnerability of the farming community was the focus of a number of participants' remarks—whether their particular concern was obtaining supplies for production and home use, being able to pay ever higher prices, or getting the raw or processed products to the customer.

The president of the Kansas Association of Wheat Growers complained that the statutory formula for adjusting grain target prices each crop year

did not adequately reflect rapid increases in prices for gasoline, diesel fuel, and other energy sources. He explained that the formula calls for increasing the target price for a coming year only if the average production costs per bushel for the just-concluded period were higher than those of the previous 3-year period. Anticipated cost increases for the coming year, also, are not covered by the formula, and increases in yields can offset higher unit costs.

"In the real world where I live out in Lyons, Kans.," this witness said, "where I saw my diesel prices in July escalate to a price 82 percent above one year earlier, (a target-price hike of) 10 cents simply will not get it . . .," if market prices drop to target levels.

A producer's view of potential marketing problems was offered by a Canton, Kans., dairy farmer who noted that consolidation of dairy and milk processing and distribution operations was compatible with past days of lower energy prices. But, he said that pattern may have to be broken in the years ahead. He explained: "It is true that, since 1950, we have gone from in the neighborhood of 3 million farms down to a few over 100,000 farms producing dairy products . . . . If this trend continues in the future, particularly with transportation and energy costs the way they are, it is of deep concern to me and, I am sure, to other people in the dairy industry, to think of having to haul milk . . . if we have congregated our dairy production into large herds and then have to disperse this milk back into the population centers."

From the other end of the marketing chain, a representative of Arkansas Consumer Research said that 70 to 90 percent of the food sold in supermarkets in his State was shipped in by truck. With Arkansas farmers already having experienced fuel shortages, repeated or broader supply crunches or a prolonged truckers' strike could mean critical shortages of food there within a month, he said. "If you realize that the fuel shortage is with us forever, we have to make changes in the structure both of agriculture, agricultural production, and distribution to accommodate . . . that reality." He noted that Arkansas leads the Nation in broiler and rice production and is twelfth in overall agricultural sales, yet has what he termed inordinately high retail food prices. He suggested, as an initial step, concentrated efforts by all levels of government to boost direct local marketing of food products. "We are sick of paying higher prices for the senseless movement of food that goes on in our country. . . . We think that if we are able to break the stranglehold the major (supermarket) chains have over the food market, we can make more markets available to local farmers," he concluded.

As a possible potential solution on the production side, a Clifton, Kans., grain and hog producer reported on the results of two passive solar-heating systems he has incorporated into his farm's new farrowing sheds. The systems have cut his use of propane and electric backup heat by 50 to 60 percent, he said. He advocated greater exploration of this approach to meeting energy requirements of both homes and barns.

Government's Role

The role of the Government was an integral part of the discussions on any number of topics. Several witnesses approached the issue directly with views on whether Government should lead, intervene, direct, or stay as far away as possible from the marketplace.

A University of Missouri agricultural economist criticized the tradition of fashioning farm programs according to commodity interests. He said farmers—who see themselves as self-reliant and independent—are attracted to such programs as individual growers of a commodity, but the net effect undermines the collective action he feels is needed to assure the survival of family-farm agriculture as a whole.

A Missouri farmer felt USDA's role should be to guarantee the opportunity to farm—if possible, an equal opportunity among those who aspire to farming—rather than to guarantee the farm community a profit. He said he is willing to compete in the open marketplace, noting that the freedom to succeed carries with it the freedom to fail. To assure equal opportunity to compete with nonfarm investors who are aided by tax and credit laws, and with large-farm operators who secure supply-price concessions on their greater volume purchases, he said USDA should give preferential treatment to those needing to buy basic farming resources, such as land.

Provisions of the present commodity programs also drew criticism. The target-price formula, which some had seen primarily in terms of its lagging behind fuel-price increases, was addressed more broadly by the representative of the Mid-Continent Farmers Association. "The present method . . . is too sensitive to changes in yield and not sensitive enough to changes in the cost of production. We believe that target prices should not be reduced below the level of the previous year if the cost of production per acre has increased, even though there was also an increase in yield," he said.

Other witnesses were more concerned with the rates of price-supporting commodity loans, which trigger payments to producers only when average market prices drop below the loan rate. Loan rates now are set for most commodities at the discretion of the Secretary of Agriculture, who is legally bound to consider production needs and world trade conditions when adjusting them.

An AAM representative said the loan rates should instead be adjusted annually to reflect inflation in production expenses. A Henry County, Mo., farmer suggested a loan-rate formula similar to the target-price fomula, but with the yield factor coming from a 5-year average rather than the immediate past crop.

Another Missouri farmer proposed that commodity program benefits be graduated according to farm size to "compensate the smaller operations at a higher rate." This witness said the supply management aspects of these programs should be continued, but "it would take all the set-aside programs, farmer-held grain reserves, and local target-price concepts" for such management to be successful.

A Kansas farmer, who said his income had been so low for the last 4 years that he did not have to pay Federal income taxes, recommended dropping the target-price program, Federal crop insurance, and disaster indemnity payments entirely. He continued: "We don't need that crap. Set the loan rates at 90 percent parity on the storeable commodities, such as wheat, corn, milo, milk, and cotton. Open up the reserve (to take surpluses off the market) whenever the market price gets down to 80 percent. When the market price gets back to 100 percent, open up the voluntary release (to ease market shortages). . . . If the prices manage to rise to 110 percent, then make it mandatory to pull stuff out of the reserve. . . . We should have a set-aside if any of our specific crops that are under the program come up with, say, a 25 percent carryover at the end of the year."

Under the present program, a reserve is established, or a set-aside suggested at the Department's discretion, based on overall supply and demand prospects. Once established, the levels at which grain is released from a reserve, or the reserve discontinued, are set in relation to the loan rate in effect at the time. This level has no relationship to the parity price of the commodity. If his approach were adopted, this Kansas farmer reasoned that more part-time producers could become full-time farmers; off-farm employment would not be necessary, so those jobs could go to unemployed town or city residents and farmers could themselves hire more workers at higher wages.

Without the Government's leadership, said another Missouri farmer, any single group or category of operators that gained control over markets "could set the whole agricultural pattern."

A cooperative organizer from Charleston, Mo., whose local co-op is affiliated with the 500,000-member Farmland Industries, praised the cooperative approach to both securing supplies and marketing products as an effective way to change the system of farmers' buying and selling according to "what some large business wanted us to have." The co-op system, he said, "insures us of our own sources of fertilizer, our own petroleum refineries and oil exploration company, feed mills, farm chemical plants, meat processing plants, insurance services, steel manufacturing plants, research and development facilities, information and educational services, grain marketing services, just about any other farm input needed and the transportation fleet to make all this work."

Others said farmers need only such protections as the Capper-Volstead Act's exemptions for cooperatives from the antitrust laws and a statutory right to organize and bargain collectively with buyers.

Turning to the Government's existing roles, several speakers criticized Federal regulations—what a Missouri banker, representing a Chamber of Commerce agribusiness committee, termed "undue Government inteference in business operations and management." Some witnesses criticized specific regulations of the EPA, Internal Revenue Service (IRS), Food and Drug Administration (FDA), or OSHA—because of the added production costs that compliance purportedly required or the reporting requirements or other restrictions on management decision.

Others, such as a Missouri pork producer, criticized the effect on demand for their products of regulations or the recommendations of Federal agencies. He said "farmers resent too much regulation, whereby they get the feeling that some of their freedoms are lost." In particular, he said pork producers are: " . . . concerned and opposed to Government regulation that attempts to tell people what they should eat, unless the recommendations are founded upon very sound evidence of hazards to health . . . . We do not believe that recommendations for the consumption of less red meat are based upon such sound and adequate evidence of hazard."

However, a clergyman urged that "we not forfeit or curb the powers of our regulatory agencies . . . in the interest of shortrun expedience, pleasure, or

profit . . . at the expense of the health and welfare of our present and future generations."

A northwest Arkansas poultry producer said if rules to implement certain Clean Water Act provisions—aimed at countering the pollution of rural waterways—were designed at the local level, "I don't see any problem."

The Livestock Marketing Association of Kansas City, Mo., urged USDA to adopt "a realistic policy of freedom, self-determination, and independence throughout all elements of the livestock and marketing sector" in its enforcement of the Packers and Stockyards Act—which is aimed at assuring competition and fair practices in livestock, poultry, and meat marketing.

Some witnesses felt the Federal-State Cooperative Extension Service and federally funded land-grant university research programs were too oriented toward one-crop farming and increasing production—rather than diversified agriculture and marketing.

Entry

Throughout the meeting, witnesses raised the issue of the difficulty beginning farmers have in obtaining credit, being able to afford land in competition with nonfarm investors and established producers, and other problems of entering agriculture. An agricultural college student offered this hypothetical example: "Farmer Brown's 160-acre row-crop farm is for sale at a price of $200,000. It borders a well-established, high-equity farmer's 480 acres, and he wants this piece of land on which to get started. He has 30 head of cattle for collateral. The well-established farmer will get his loan on his signature in 1 hour. It will take the young farmer a week to have his credit approved. The young farmers just don't have the cash flow or the assets needed to meet land repayment loan schedules."

A State senator from Maple City, Kans., commented, "Instead of . . . putting limits or penalties on our larger farming units, it would make much more sense if the USDA provided incentives for young farmers to help them enter farming." The general public would be more willing to accept the Government's sharing in the risks of farming by helping beginners, than it does the Government's offering multimillion-dollar disaster loans to large, perhaps poorly managed farms, other witnesses said. The student who offered the Farmer Brown scenario said that greater willingness by sellers to finance beginners and lower bank interest rates would help.

The prevailing view was that tenant farming was the preferred, easier way for younger men and women to enter agriculture—compared with attempting to finance initial land and equipment purchases while still learning the business.

But a man from Moberly, Mo., farming for 7 years, disagreed. Established, older producers in his area, he said, "won't rent ground to a young fellow just starting unless he has an established track record. . . . They would much rather rent to an established farmer who has extra equipment, who they know and have seen (working), so I don't think that you can say you can get into farming by that method."

The investment credit, capital-gains deferrals, and other features of tax codes that some participants had criticized as giving nonfarm investors a competitive edge, also give older farmers the advantage over beginners when both are seeking land, equipment, and other basic resources, an 11-year farmer from Petis County, Mo., said. In order for the succeeding generation of farmers to be helped, he suggested, "maybe some of us older farmers are going to have to hurt" and give up those advantages.

Whether a speaker's principal desire was to maintain a free market system . . . bring Government more deeply into farm production or marketing . . . halt economic or social decline in a rural community . . . preserve prime farmland from development or erosion . . . , a basic concern did dominate the testimony in Sedalia.

Though expressed in many ways, that basic concern seemed rooted in a "sense of community" . . . an intangible goodness. Some felt their sense of community was being threatened by the present-day structure of agriculture or other forces, while others felt it was secure because of the strength and design of family farms.

Mailed Comments

Forty-seven individuals from Arkansas, Kansas, and Missouri mailed everything from short, handwritten notes to 137-page paperbook publications for consideration and review. The majority were either farmers or representatives of farmers. A high school student, an author, a photo journalist-attorney, livestock marketeers, an associate director of an agricultural experiment station, a consumer, a local resource and conservation development board, a nun, a university associate dean, a cooperative officer, and a Kansas parish priest were among the others who submitted comments.

Among those who described their farms, the size ranged from a 140-acre livestock-and-grain farm in Missouri to a 4,000-acre operation in western Kansas.

The overriding concerns among those who mailed comments for the Sedalia hearing record generally were the same as those of the participants at the public meeting itself. Some new issues were also raised, however.

Concern over outside corporations, vertical integration, absentee landowners, Government regulation, tax policy, and the value of family farming ran as strongly as it did at the public meeting itself. Residency requirements, acreage limitations, export policy, and black farmers' loss of land—issues not discussed at the hearing—were raised in the written comments. Also, commodity prices and farm programs were mentioned more frequently in the mailed comments.

More than one-third of the letters mentioned either absentee landownership, nonfarm corporations, outside control of production, or vertical integration. Small farmers in particular seemed most concerned about corporate agriculture and concentrated marketing.

A farmer with 160 acres near New Bloomfield, Mo., who said that " 'vertical integration' is a cuss word to me," asked why "big corporations or real rich people can buy land and deduct income tax from their big business as a loss on their farm." He said a person should have to receive "80 percent of his income from the farm" before using farm losses as income tax deductions.

A woman who works in a factory 22 miles from her 268-acre farm in Jenkins, Mo., "to keep the farm running" wrote: "Large corporations are a problem. In point, Tysons' here in Missouri. Look how they and other corporations of their nature have cornered the chicken industry. There is no way for the farm wife to buy 100 or 200 chickens, raise them, and sell broilers or eggs or anything else. . . . If Kraft Corporation can own cows, then I should have the right to run a milk route and sell to the people direct."

Efficiency in production also came up repeatedly in the mail. A Frohna, Mo., man wrote: "In the past 40 years, working on some of the largest livestock and small farms in Montana, my experience has been that, the larger the ranch or farm gets, efficiency becomes less." He said large farms "are not the best or the most efficient even though they would be owned by a family."

Others expressed concern over the impacts on natural resources of large farms and absentee ownership. A woman from Piggott, Ark., who said her operation had increased from about 450 acres to 800 acres, warned, "If (the farmer) is forced to continue to increase his acreage, he will reach a point when it is no longer possible to give each acre the kind of attention it needs to produce the highest possible yield." She said that, while neglect of the land may not show up as a decrease in productivity, the increased use of herbicides and pesticides "cannot but hurt the land in the long run."

A representative of Mo-Ag Industries of Kansas City feared that, "as we go more and more to absentee ownership (of farmland)", a need to protect farmland from erosion would be offset by the desire of the landowner for higher returns on investment. He said that landowners could "pull land away" from tenants if they were not maximizing profits. "This leaves the question," he said, "of how you must farm to protect the land, make a profit, and still satisfy the owner."

An AAM representative from Puxico, Mo., wrote: "Ownership of land is immaterial if the owner lives *on* the land. I don't feel age, color, nationality or belief is important if the owner is there in the community, participating in the churches and schools, and voting his or her belief for the good of the area. . . . Certainly, occupation (of the land) should be mandatory for large spreads that are really tax shelters."

A representative of American Agri-Women from Effingham, Kans., on the other hand, said "a residency requirement for agriculture is archaic, just as it would be for any other business. . . . Leasing is a vital avenue for entry into farming and therefore must be unrestricted."

"We feel that we can safety conclude that land ownership patterns in our State are not a cause for alarm at this time," wrote the vice president of the Arkansas Farm Bureau. "We therefore suggest that social experiments or land reform measures not be placed on the agenda of structural changes which may be contemplated for agriculture."

An issue that did not come up at the public hearing was outlined in a letter and accompanying paper submitted by the director of the Arkansas Delta Project. He described the "crisis pace of the loss of black-owned land in the Arkansas Delta (as) an upheaval which is rapidly making the black farmer obsolete, the elderly poor more numerous, the plight of . . . small, predominantly black . . . towns more severe, and the chances of stemming the tide of outmigration of young black adults almost impossible." He asked that USDA "take the lead in defining and attacking this problem" by studying land ownership

in the region and addressing attendant social problems through "legal education and technical assistance for low-income, limited-resource small farmers."

Other correspondents addressed the question of farm size. An individual from Wentzville, Mo., said, "to have the time to do soil work and farm by contour and terraces means (that) people will have to farm smaller and will require a decent price for the farm products."

A man from Salem, Mo., argued that "there is too much difference in soil types, types of farms, etc., for (an) acreage limitation."

A Kansas Farm Bureau representative warned the Government not to cast the "20th century, or a 21st century 'family farm' in the same mold as a 1902, 160-acre farm. . . . This will kill agriculture," he claimed.

The main thread at the public meeting—concern about the continued viability of the small rural town and the importance of the family farmer in the local economy—was taken up by several of those who submitted letters and other written material.

"If a few (companies) get in control (of agriculture), they are going to spend money with a few," wrote a man from McFall, Mo. "Small elevators, small machine dealers, small manufacturing companies (will go under)."

A joint submission from the Dickinson County, Kans., units of the Farmers Union, Farm Bureau, NFO, AAM, and a local cooperative underscored their feelings about the importance of the small family farm in rural America. They said they could document in some parts of Kansas continued declines of small-town businesses and farms and an exodus of young people, despite a national reversal of the rural-to-urban pattern. Further, they said most of the farm programs "have truly been a nightmare, primarily because they were designed to help the large farmer." They sought a variety of changes in these programs to assist the smaller farmer and said, "We, the farmers, need to have control of the land, free of absentee landlords (and) free of corporations with tax interests in mind."

Speaking on behalf of his parish of approximately 225 families in Norton, Kans., the pastor of St. Francis of Assisi Church said "good railroad service is absolutely necessary for the survival of many of our family farms, our small towns and businesses, our parishes, and our communities."

A Wentzville, Mo., man wrote: "All this good land and hardly anybody is left out here. We need people so we can have communities, neighbors, churches, and time to do something beside produce."

But a cattle-and-wheat farmer from the Kansas-Colorado border area described the present Government bureaucracy as "obsessed with the idea that it must provide social changes, land reform, etc. The myth of the family farm as envisioned by many bureaucrats is a nostalgic memory of the 19th-century institution which no amount of Government subsidies can sustain in a 20th-century economy," he said.

As was the case at the public meeting, Government regulation was criticized by several correspondents. A representative of the Andrew County Cattlemen's Association of Savannah, Mo., wrote that the "family farm is over-regulated." The Kansas Farm Bureau suggested that reforms and curtailment of regulations issued by EPA, OSHA, and other agencies "that impact on production agriculture (would) bring about a more healthful agriculture (and) a better structure for the family farmer." The Farm Bureau also said "it is not the Government's responsibility to 'structure' the marketing system . . . the primary role, if not the only role for Government is to assure unfettered access to markets."

Some, however, felt Government help was needed. "The American ag structure is already in one hell of a mess," wrote a man from McFall, Mo., "and it isn't going to get any better without the help of Government management."

Price and cost-of-production issues were raised in the written comments more frequently than at the hearing. A 26-year-old farmer from Quinter, Kans., who began farming in 1973, described his production costs between 1973 and 1979, some of which shot up by 400 percent. He said his largest increases were in the cost of land, energy, and technology. He said that prices for wheat, milo, fat cattle, and fat hogs had not increased at even half the rate of his cost increases.

A retired farmer who worked part-time at a farm implement dealership in Abilene, Kan., said he had noticed equipment dealers carrying "smaller tractors" and other equipment to fit the needs of "alfalfa, irrigation, and milking farmers (who) are doing okay." However, he said the cost-price squeeze grain farmers are faced with was hurting these same implement dealers. A "reasonable parity on grain, say 85 or 90 percent," would help their businesses as well as the grain farmers, he wrote.

A farmer from Eskridge, Kans., with 4,000 acres of land and a 200-sow farrow-to-finish operation, wrote that he has decided to quit farming because he could not see "any profit at an average yield," given

his rising production costs. He singled out energy-based inputs, including fertilizer, as the prime factors.

A 140-acre livestock-and-grain farmer from west of Lincoln, Mo., proposed graduated farm-program benefits based on acreage, with all Government aid programs except conservation cost-sharing withdrawn from large and corporate farms. He also advocated giving credit and tax incentives to the small and beginning farmers.

Export policy—an issue not discussed at length during the public meeting—was raised in a few letters. A man from Leawood, Kans., said "we must export all farm products in excess of domestic needs. There are no two ways about it."

Advocating free trade and "a world economic system," a man from Lamar, Mo., wrote, "The weathier nations, such as the U.S., must grant . . . undeveloped countries direct aid, not just to turn around and buy wheat with, but capital to build industry appropriate to their resources." He also felt those countries needed improved financing and that existing international credit institutions needed to be "enlarged and made more accessible."

Among the comments on other issues were these:

. . . A young farmer from Clark, Mo., wrote: "Here in Boone County, Mo., we have had a high turnover of Farmers Home county directors. . . . This makes it hard for a young farmer like me to have a continuing program because each individual director has his own ideas and philosophy."

. . . An individual from Council Grove, Kans., said it is "imperative that FmHA make available low-cost loans to farmers to develop alternate energy facilities."

. . . A woman from Lincoln, Kans., said it was absurd to take good grazing land out of production with the Tallgrass Prairie proposal, and that interstate highways are "taking a heavy toll of good productive agricultural land."

Panelists: Peggy Arensman, Kinsley, Kans., president, Kansas Women Involved in Farm Economics (WIFE); James Baile, Warrensburg, Mo., farmer, member, general board, Church of the Brethern; Arlan Benteman, Clifton, Kans., farmer; Dr. Harold Briemyer, Columbia, Mo., professor of agricultural economics, University of Missouri; Sullivan Clark, Essex, Mo., farmer; Lewis R. Cline, Neodesha, Kans., master, Kansas State Grange; Ronny Cornett, Pattonsburg, Mo., farmer, representative, Communicating for Agriculture; Kay Demoss, Springfield, Mo., farmer, community food and nutrition coordinator, Ozarks Area Community Action Corp.; Dr. Ralph Desmarais, Little Rock, Ark., Arkansas Consumer Research; Burke Dodson, Charleston, Mo., farmer, representative, Farmland Industries; Jim DuPree, Weldon, Ark., farmer, representative, AAM; John Ficken, Ionia, Mo., farmer, president, Missouri Hog Producers Association; Rosemary Harris, Lebanon, Mo., farmer; Rex Johnson, Mexico, Mo., banker, officer, Missouri Chamber of Commerce; C. R. Johnston, Jefferson City, Mo., president, Missouri Farm Bureau; Dale Lyon, McPherson, Kans., president, Kansas Farmers Union; Logan McGinness, Excelsior Springs, Mo., farmer; Florence Schruben, Manhattan, Kans., farmer; Joe Sonnemoser, Weston, Mo., NFO; Eric Thompson, Columbia, Mo., farmer, president, Missouri Farmers Association; Lavon Watson, Wesley, Ark., farmer.

Open Microphone: Daunita Arnold, Sedalia, Mo., college student; Harold Backner, Millersburg, Mo., farmer; Ruth Bradley, Moberly, Mo., farm wife; Betty Broemmelsick, Defiance, Mo., farmer; Gene Campbell, Lamar, Mo., farmer; Jack Cothran, Wynne, Ark., president-elect, Arkansas AAM; Merlin Dresher, Canton, Kans., farmer; Wendell Ebright, Lyons, Kans., farmer, president, Kansas Association of Wheat Growers; John Ellerman, Anna, Ill., researcher, agribusiness economics, Southern Illinois University; James Elliott, Versailles, Mo., farmer; Benny J. Fratesi, Pine Bluff, Ark., farmer; Roy Fridley, Windsor, Mo., retired farmer; Mel Gerber, Morgan County, Mo., farmer; Judith B. Heffernan, Kingdom City, Mo., farm wife, family sociologist, University of Missouri-Columbia; Samuel Hieronymous, Marshall, Mo., farmer; Charles Hinton, Clinton, Mo., farmer; Lawrence Luther, Viola, Ark., farmer; Jo Ann Manhart, Columbia, Mo., Missouri Egg Council; Cliff McBride, Sedalia, Mo., vocational agriculture instructor; Bill McLaren, Jr., Pacific, Mo., farm manager; Sr. Stephanie Mertens, Jefferson City, Mo., Missouri Catholic Conference; Marvin Oerke, Butler, Mo., farmer; Herman Schmitz, Williston, N. Dak., farmer; Donna Beth Schroeder, Canton, Kans., farm wife; Rocky W. Snyder, Lewis, Kans, farmer; Lois Stuenkel, Corder, Mo., farm wife; vice president, Missouri Citizens for Research and Extension, Inc.; Cordell W. Tindall, Fayette, Mo., retired editor, Missouri Ruralist magazine; Elbert Urban, Tonkawa, Okla., farmer; David Wedding, Jacksonville, Mo., master, Missouri State Grange; Robert Wayne Wilcox, Moberly, Mo., farmer; Burton W. Wilson, Prairie City, Iowa, farmer; Robert J. Young, Sedalia, Mo., farmer.

Written Comments: Chuck Alexander, Columbia, Mo., student, University of Missouri; Mrs. Roy Clark, Hughesville, Mo., farm wife; Mrs. John Ficken, Ionia, Mo.; Frank Hilton, Carrollton, Mo.; Hugo H. Hinghaus, farmer; Victor J. Kirchner, Lonedell, Mo.; Christine Kniggs, Strafford, Mo., president, Greater Springfield Farmer's Market; Katherine Malmros, Columbia, Mo., student, University of Missouri; Vesta McCommon, Kansas WIFE; Lawrence E. Miller, Carrollton, Mo., farmer; Karen S. Miller, Fellsburg, Kans., farmer; Scott Nadler, Urich, Mo.; Paul Noland, Fayetteville, Ark., farmer; Harry Ritter, agribusiness representative; C. T. Sanders, Kansas City, Mo., general manager, Livestock Marketing Association; Chris Weber, Fowler, Kans., chapter president, WIFE; Donald Schutte, Mexico, Mo., farmer; Joseph A. Simms, Clinton, Mo., small business owner; Preston Smith, Pearcy, Ark., college student.

Mailed Comments: John F. Anderson, Kansas City, Mo., president, Farmland Industries, Inc.; John Junior Armstrong, Manhattan, Kans., president, Kansas Farm Bureau; Clarence Bamfield, Abilene, Kans., retired farmer; Charles Bextermiller, Wentzville, Mo.; Randall B. Campbell, Lamar, Mo.; Donald B. Cress, Council Grove, Kans.; William A. Davis, Goodland, Kans., farmer, president, Mountain States Beet Growers Marketing Association; Ed Dickerson, Chanute, Kans., president, See-Kan RC&D Board; E. W. Eikermann, Kansas City, Kans., member, Kansas Farm Bureau; Inga Eubanks, Piggott, Ark., farmer; Homer F. Evans, Puxico, Mo., member, AAM; Lloyd C. Faulkner, Columbia, Mo., associate dean for research and graduate studies, University of Missouri; Roy E. Fridley, Windsor, Mo., farmer; Armand Girard, Norton, Kans., Monsignor, St. Francis of Assisi Parish; Thomas R. Graybill, Leawood, Kans.; James W. Hofer,

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Salem, Mo.; John D. Hubbard, Stockton, Mo., Missouri Cooperative Extension Service, University of Missouri & Lincoln University; Jack Justus, Little Rock, Ark., vice president and executive assistant, Arkansas Farm Bureau Federation; Mildred Kelly, Effingham, Kans., member, American Agri-Women; Robert M. Lindholm, Jefferson City, Mo., lawyer; Roy Link, New Bloomfield, Mo., farmer; Rex H. Logan, Eskridge, Kans., retired farmer; Hayley Jo Matson, Clifton, Kans., high school student; Logan McGinness, Excelsior Springs, Mo., farmer; Sister Stephanie Mertens, Jefferson City, Mo., social concerns director, Diocese of Jefferson City; Vic Morgan, McFall, Mo.; Edwin Oberndorfer, Frohna, Mo., farmer; W. H. Pfander, Columbia, Mo., associate director, agricultural experiment station, University of Missouri-Columbia; Steven Pike, Wichita, Kans.; Oscar and Myrtice Plinsky, Lincoln, Kans., farmers; E. M. (Gene) Poirot, Garden City, Mo., farmer; Karen Pritchett, Jenkins, Mo., farmer; Darrell T. Ringer, Quinter, Kans., farmer; Harry Ritter, Kansas City, Mo., director of field services, Missouri Ag Industries Council, Inc.; C. T. Sanders, Kansas City, Mo., general manager, Livestock Marketing Association; Tom J. Savio, Clark, Mo., farmer; Quinton Schottell, Savannah, Mo., president, Andrew County Cattlemen and Cowbelles Association; Eugene Siegel, Jr., Lockport, Ill., chairman, Will County Agricultural Extension Council; William M. Turrentine, Garden City, Kans., farmer; Joe Warren, Maple City, Kans., State senator, Kansas; Paul L. Whitehair, Abilene, Kans., farmer; Clarence Wright, Madison, Ark., director, Save-the-Children, Arkansas Delta Project.

Wichita Falls, Texas
December 6, 1979

(Louisiana, Oklahoma, Texas)

The fifth public meeting, attended by 600 to 700 persons, was held December 6 at the Activities Center in Wichita Falls, Tex. Louisiana, Oklahoma, and Texas were the States represented at the meeting. Secretary Bergland, USDA Assistant Secretary Jim Webster, and Texas Commissioner of Agriculture Reagan Brown heard testimony from 21 speakers on five panels and from 40 other persons during the afternoon "open microphone" period. In addition, 29 written comments statements were submitted for inclusion in the record.

Those testifying, either orally or in writing, included 61 farmers; 11 members or representatives of general farm organizations; 12 spokespersons or members of commodity organizations; five members of Women Involved in Farm Economics (WIFE); three farmworker advocates; two spokespersons for water development; two members of a State Association of Soil and Water Conservation Districts; a banker; a teacher/consumer; an accountant; a representative of a local Chamber of Commerce; a university dean of agriculture, and a retired teacher of vocational agriculture. A number of the farm and commodity organization members, and all of the WIFE representatives, were also farmers. Four people did not specify their occupations or affiliations.

Commodities raised by the farmers who contributed to the meeting (and who mentioned their crops) included cattle (eight farmers), cotton (four), dairy (two), soybeans, produce, rice, peanuts, citrus, corn, milo, hogs, poultry and sheep and goats. Of those speaking or submitting statements, approximately 60 percent were from Texas; about 20 percent came from Oklahoma, and 5 percent were from Louisiana. The remainder did not identify their places of residence or, in two cases, were from other States.

Regional Profile

Wichita Falls is in north central Texas, due east of the cotton- and wheat-producing areas which provided many of the witnesses at the meeting. The most important commodities produced in the three-State region covered by the Wichita Falls meeting include cattle, wheat, cotton, dairy products, soybeans, sorghum, corn, rice, and peanuts.

Farm sales in the region in 1978 totaled $11.4 billion, about 10 percent of aggregate national sales. Texas, the dominant farm State of the three, had a $7.5 billion share of those regional sales. Texas is also the third largest State in farm sales in the country.

All of the general farm organizations are active in the area, as are farm women's groups. The American Agriculture Movement and WIFE are particularly strong and were well represented at the meeting. Organizations representing agricultural laborers, such as the Texas Farmworkers Union, are also active in the region. Important issues expected to be raised at the meeting included water supplies, parity prices, beef imports, and gasohol production from grain, among others.

Testimony from the meeting is divisible into several broad categories: inflation, parity, and farm prices; the role of Government; agricultural inputs (such as energy, water, land, capital, and labor); and marketing. Those issues were raised most often. Other matters discussed not quite so frequently included farm size and technology, taxation, the flight of rural people to the cities, and the role of corporations in agricultural structure.

Inflation

Inflation was the issue raised most often during the meeting. Nearly one-third of all contributors men-

tioned the impact of rising prices and higher costs of farm production. Some cited increased costs in specific items, such as energy, credit, and land. But most referred to inflation in general terms.

Many witnesses linked rising prices to cheap commodity exports, expensive energy imports, and deficit spending by Government. Many saw rising prices for the things which agricultural producers must purchase as a fundamental threat. As an Oklahoma peanut grower said, "We, as farmers, believe that if we are going to take the brunt of inflation, interest costs, machinery costs, production costs, etc., there will no longer be a family farm unit as we know it today."

An Oklahoma wheat farmer said, "The American family farm system is in serious financial trouble, because the prices we receive for our products have not kept pace with the cost of the production items we must purchase. During the last 10 years, the real dollar value of our product remained essentially the same, while our production costs have increased tremendously . . . . If the current trends continue, the family farm system will soon become extinct."

A Texas cattle feeder and irrigation farmer said that, after more than 30 years of farming, "I (now) owe more money than I've ever owed in my life, and it's because of higher production costs." This feeling of seldom being able to get ahead of inflation runs through much of the testimony. There was also an awareness that farmers have little control over prices of the necessities of their trade. And once hit by higher costs, they have no way to pass them on. As a Kansas wheat farmer put it, "Everyone except agriculture has a way to adjust for inflation."

An Oklahoma farmer, who produces grain and cattle on 2,500 acres, outlined some of the specific inflationary woes now troubling agriculture: "Bigger and more sophisticated machinery and equipment have more than doubled in cost with comparable sizes of years past. Energy costs have skyrocketed. Diesel fuel that cost 13½ cents in 1964 (and) 44 cents in 1978 is now costing 84 cents when you can find it. Farmland prices have soared. The average price of cultivated land in my area has gone up from about $300 per acre to well over a $1,000 per acre. Fertilizer and chemicals are higher and more widely used. Fertilizer prices per ton have more than doubled . . . since 1964." A number of other witnesses agreed that inflation has had the greatest impact on prices of such necessities as energy, land, and borrowed money.

Several people observed that farmers have adopted increasingly more sophisticated technologies to keep pace with rising costs. Many contended that inflation is caused by deficit public expenditures. Some felt that inflation and deficit spending, rather than the structure of agriculture, are the real problems. Others observed that inflation in production expenses effectively closes agriculture to many potential new farmers. As an Oklahoman said, "With the cost of land and equipment as high as it is today, along with inflation, it is practically impossible for a young farmer to get started."

A Louisiana rice, soybean, and cattle farmer summed up much of the testimony on this subject: "Inflation . . . . affects not only agriculture, but all segments of our economy. The main cause of inflation is the willingness of the Federal Government to spend money it doesn't have with little hope of ever balancing the budget. The Federal Government must get inflation under control if the family farm is to survive. As a result of inflation, the cash flow which is required to meet production expenses and provide a living for the family has increased dramatically. To meet these cash flow requirements, family farmers have had to adopt the latest technology to increase productivity and keep the costs per unit as low as possible."

Farm Prices and Parity

Related to inflation, and mentioned by nearly a fourth of those testifying or submitting statements, were farm prices and income. For example, a Texas cattle breeder led off his list of principal problems of American farmers with "inadequate prices of farm products to cover rising costs of production." Many witnesses felt farm prices rather than inflation are the real issue. A small producer from Hereford, Tex., who also works off the farm, said, "We know that our cost of production will not go down because no one is going to take a cut in salary . . . . Our problem is not my cost of input. My problem is my price." A common sentiment was that agricultural producers can prosper if they simply get a fair price. "In my 40 years of farming," said a Texan, "I have never seen many farmers going broke with a fair price."

Many witnesses who raised the farm price and income issue also called for parity prices. More than one witness in five discussed parity. An Oklahoma grain and cattle farmer offered a definition: "Webster defines parity as a state of being equal . . . . Justice is depicted by a blind person holding the scales of equality or parity. Let us achieve a balance—equal prices for all."

The president of the Texas Farmers Union spoke out strongly for parity prices: "We regard parity as a valid index of the purchasing power of prices received by farmers for farm commodities. Likewise the parity index is a valid standard by which to establish the real price of farm commodities and to adjust current prices for inflation. The parity index differs little from the Consumer Price Index, and it is just as justifiable, defensible, and valid as the CPI . . . Almost half the American populace depends upon adjustments of earnings, retirement income and other things from CPI."

A Hereford, Tex., farmer and AAM member described some of the problems arising from a failure to achieve parity prices: "Since about 1950, the purchasing power of a . . . unit of agricultural production on the average has declined, and it now only buys 68 percent of what it did then, as determined by the USDA parity index . . . . That should tell anyone that agriculture is underpaid . . . . So what has happened during the past 25 years of underpaying producers? First of all, millions of people were driven from the land into the cities . . . . Secondly, . . . it seems as though we simultaneously began to expand our public and private debt."

Another member of the AAM said, "Without parity income assurance . . . full production cannot be achieved in an uncertain economy. We must assure parity return to farmers based on cost of production plus a reasonable profit." Another farmer said: "If we had a target price of 90 percent of parity and, say, a loan price of 115 percent of the world price, we would have something locked in to take us through the inflation."

Advocates of parity stated they wanted a higher market price rather than a public subsidy. A nationally known spokesperson for AAM made that point to Secretary Bergland: "We don't want your Government payments . . . we don't want to be welfare recipients. We want a price at the marketplace like everybody else."

The Role of Government

Inflation, low farm prices, and parity are related issues, and many witnesses addressed them as such. Parity discussions often led directly into critiques of Government, as the above-quoted comment shows. Federal loan and target prices were mentioned frequently, with comments ranging from the very general to the specific:

- "Loan prices pretty well set the floor . . . . We've got a lot of history that establishes that point."
- "The target price (for cotton) is inoperative as far as aiding the price structure of the marketplace in West Texas, and on a national basis there is disparity of distribution. Historically, our cash price is far below the target price in most years."
- "The price support (for soybeans), rather than establishing floors, establishes ceilings."
- "For wheat and corn, U.S. support levels are next to the lowest in the world."
- "The frozen support rate of $420 per ton for quota peanuts in 1978 and 1979 is resulting in growers subsidizing peanut product manufacturers and consumers."

Most of those addressing the issue of Government's role called for higher levels of support. But a number of others—14 in all—called for less Government intervention in agriculture. An accountant with 100 farmer clients said: "I keep hearing this term free enterprise today. But it's not free anymore. There are so many Government regulations and . . . so many built-in loopholes that . . . it's just not free anymore." A Texas farmer said: "Why should the Government or anyone else tamper with the most productive segment of our society? The free market system of supply and demand has worked for years, and it should continue to work well for farmers in the future."

Several witnesses complained about Government restrictions of farm chemicals. A Texas citrus producer said: "I am very concerned with the amount of money and effort that growers and chemical companies have to spend to defend the chemicals that are so vital to our crops from the 'guilty until proven innocent' attitude of the EPA."

Related to the criticisms of public regulation were several witnesses' comments on deficit spending. As noted earlier, several persons felt that Federal deficits are a major cause of inflation. But other witnesses felt a need for renewed or increased commitments to such public programs as research and extension. As an Oklahoma wheat farmer put it: "We need a positive, well-funded agricultural research program to help us maximize the benefits of our land and water resouces." A Louisiana farmer said: "It is important that research be accelerated now so that productivity can continue to increase on the farm. Tax dollars spent on research are really an investment in the future of agriculture and the food supply of future generations." One witness questioned the wisdom of new USDA research into human nutrition.

Farm Inputs and Resources

A number of contributors to the meeting either spoke or wrote on various agricultural inputs and resources, including energy, water, capital, land, and labor.

More than 20 witnesses addressed energy and fuel issues. Prices were the most often repeated concern. An Oklahoma peanut grower stated: "In the past . . . energy and power have been priced in the affordable range. However, these costs are now in a swift upward spiral. My diesel fuel bill is 100 percent higher now than in December 1978."

It may seem ironic that energy should be a problem in a major oil- and gas-producing region, but prices are not regulated in intrastate sales. A Texas farmer explained his situation: "The area where I farm . . . provides 25 percent of all the petroleum products produced in the lower 48 of the United States . . . . There are two 36-inch pipelines that go to the West Coast. The gas . . . in those pipelines sells for 16 cents and is being bought by my friends who produce cotton in Arizona for less than a dollar. It is probably up to a dollar now. I'm paying $2.40 for it, and it's coming out from under land that I farm. I don't own the royalty, but that's where it's coming from."

Water issues were closely linked to energy. Irrigated water is a crucial farm input in the semiarid climate of much of this region. The principal difficulties appear to be the energy costs of pumping water and its long-term availability. A West Texas farmer described the water-energy problem this way: "Ground water irrigation west of the 95th meridian will cease to exist, in my view, by 1990, if not before, caused not so much by a shortage of water, but by energy costs. Natural gas costs alone for pumping ground water for irrigation have increased 1,650 percent in parts of Texas." This witness felt that "reversion to dry land cropping, coupled with continued high foreign demand, will cause shortfalls in grain and fiber production."

Water constraints are particularly acute in the High Plains area of Texas. The Dean of Agricultural Sciences at Texas Tech University pointed out the shortage problem: "For more than 20 years, research has emphasized the fact that the Ogallala aquifer, the primary source of water in the (High Plains) area, is being depleted at a rapid rate."

A spokesperson for a water development organization said: "Several regions of the Plains and Western States are reaching the limits of their water supplies. Continued growth and the demand for energy development will heavily tax existing supplies throughout the region. Since agriculture is the prime water consumer in these States, that increased demand, simplistically stated, will be met at the expense of the farmer. Realistically though, the loss of agricultural water will adversely affect not only the farmer, but also the consumers, both domestic and worldwide, who benefit from the increased production of irrigated crops."

Issues of capital—rising interest rates, increasing debt, and the presence or absence of government lending programs—were cited by about one witness in six. A representative of the Oklahoma NFO said: "Our interest rates are skyrocketing. Sometimes it makes you think you're giving at least 50 percent of income back in interest. We're letting capital consume the human resources in agriculture."

Other speakers were concerned about interest rates and credit for small farmers and for qualified young people trying to enter farming. The Master of the Oklahoma Grange said, "If favorable interest rates could be made available to smaller farms, in many cases, this would give them opportunities to succeed."

On the subject of Federal loans, the president of Texas WIFE noted that "in the last 5 years we have seen farmers across the Nation forced to secure financing for their farming operations from Federal agencies rather than private lending institutions." A Texas farmer predicted a possible lack of public loans: "Already escalating Government financing assistance may not be available to meet ever larger needs, especially with adverse public attitudes toward large loans." An Oklahoma farmer offered a recommendation: "The Small Business Administration (SBA) and FmHA programs should be increased with additional funding and lower rates of interest. These agencies need additional manpower to assist resource-deficient farmers."

Several land use issues were raised during the meeting. Rising land prices have already been mentioned. One witness called for public acquisition of farmland: "We must initiate land acquisition policies which stop inflation of land costs, keep land in agriculture and make land accessible to those wishing to farm. Our country needs a national land trust similar to the one in Saskatchewan, Canada.

Another land-related problem is soil erosion. An Oklahoma spokesman for the NFO put it this way: ". . . we lose two bushels of top soil to every bushel of corn that we raise, and it goes to the ocean . . . . In the State of Texas and every other State, conservation practices are planned, they're started, and then

whenever the boom to bust cycle starts, they plow from fence row to fence row and your conservation practices are destroyed . . . . We don't have top soil to last another 200 years. We've destroyed enough of it as it is. We're farming marginal land, everybody knows that. We've got land in production today in corn that should be pasture land for cattle." But other witnesses said price support programs should not be tied to mandatory conservation plans.

Agricultural labor was mentioned by several witnesses. Three spokespersons for farmworker organizations devoted most of their testimony to labor issues. A nun from Louisiana said: "For generations, farm workers have been the group most forgotten in the structure of our agricultural economy. It is time to share equitably in the benefits of the richest society on earth." And a director of a community development corporation in Oklahoma wrote: "Farmworkers have the same right to economic opportunity as do farmers. I believe that when Government considers parity for farmers, it should require farmers to consider farmworker wages in the computing of parity."

Recommendations included a National Farmworker Protection Act, inclusion of farmworkers under the National Labor Relations Act, encouragement of farmland sale to farmworkers, more land-grant university research of benefit to farmworkers, promotion of more labor intensive crop production and other steps.

A representative of the Texas Farmworkers Union took a different tack. He contended that both farmers and farmworkers are in bondage to food packers and processors. "We still see inflation taking place every time we walk into the store to buy food, and we don't see that money coming down the ladder to us," he said. "We see it staying within the hands of those that created the new vertical integration . . . which is controlling the market . . . . Unless both the small farmer and the farmworker can be put into a position to be able to negotiate with the large packing shed and the processors, then the situation will never change." He advocated significant increases in USDA involvement in marketing.

Several farmers were concerned about labor issues from a different perspective. They called for changes in the Farm Labor Contractor Registration Act to exempt farmers from coverage. They contended the law was meant to cover only labor crew leaders.

Marketing and Transportation

Issues of marketing, trade, or transportation were raised by more than a third of the witnesses. On transportation, the president of the Texas Grain and Feed Association said we must "upgrade our Nation's transportation systems to provide for present and future demands in exports of American agricultural products." For sheep and goat producers, according to one of their representatives, "transportation is fast becoming a major problem . . . . The trucking industry has been caught right in the middle of the inflation spiral. Their gasoline or diesel cost has doubled in 1 year. Their tires and tractors reflect the same increase."

A few witnesses spoke of the lack of sufficient transportation resources. A Kansas wheat farmer reasoned that "if we're going to have good prices for agriculture, we must have adequate transportation. Nobody's going to buy a product that they cannot have delivered, and this has been part of our problem . . . . I farm right between the Southern Pacific and the Santa Fe (railroads), and the Santa Fe cannot give adequate service. We currently have 260,000 bushels of milo on the ground. My elevator could use 20 boxcars a month. We have received 80 since the first of January (1979) and this is only one limited example . . . . I think it's going to be necessary for USDA to work with the transportation system. I'm against subsidizing the railroads . . . . They were given land to develop those railroads across the country. I see no reason to bail them out."

An Oklahoma wheat producer had a different view of rail transportation. "Our problem is not the amount of equipment, it's the shape of the roadbeds in rural America. It's going to be a costly procedure to repair that system, but if we're going to stay in the export grain business . . ., I think the Government is going to have to play a role similar to what it did in the national highway program," he said.

As that testimony indicates, issues of transportation and agricultural exports were closely linked. An efficient transportation system and expanding foreign markets, in the opinion of many, are essential to the health and welfare of the family farm—particularly grain operations. The same Oklahoma wheat farmer quoted above also said: "We are an export nation of enviable status. We export 66 percent of our wheat, 32 percent of our feed grain, 60 percent of our rice, 54 percent of our soybeans, and 45 percent of our cotton. We have 480 million acres of good farmland, efficient farms, good climate, great technology, and all contribute to the great stance we have in world

trade. Our export of these agricultural commodities is the only way we can maintain our credibility in world trade and diplomacy. . . . We must have strong agricultural exports."

One witness warned against public control of farm exports: "This Nation is the envy of the entire world with respect to our production and distribution of agriculture," he wrote. "We must never be a party to a marketing scheme, as some have proposed, which allows Government to be the sole merchant of export sales." Another predicted that "export embargoes will result due to public outcries and resulting political pressure."

A part-time farmer and retired vocational agriculture teacher suggested that a large, dispersed network of small farmers might help solve some of the transportation problems. "I can see a time when distance and transportation to market could be a serious problem. Survival might depend on proximity to food sources," he reasoned. "I vote for many small farmers throughout the Nation." Another witness recommended support for direct marketing systems usable by small farmers.

Advocates for farmworkers made several points about marketing. One said, "farmworkers who wish to grow vegetables need help in developing marketing systems and skills. Land-grant universities should have this as a primary responsibility." Another farmworker representative spoke about market control by large food processing and distributing corporations, a situation detrimental to both small farmers and farmworkers, he said. "If you walk into Dallas . . . , you will not find a chain store which is selling Texas lettuce, because even though it is being grown, right now, and harvested, they have no way to get into that market because under the previous agreements with the national chains, California has dominated that industry . . . . U.S. corporations are importing products from Mexico and from abroad, selling under their label . . . , while they in turn tell the U.S. farmers that they must be able to produce at the same rate as those foreign farmers."

Farm Size and Technology

Several witnesses discussed farm size, ranging across the spectrum of opinion. Some felt that larger operations were both inevitable and more efficient. Other speakers and writers urged that the small farm is a better model and should be encouraged. The majority view was that large farms, whether more efficient or not, are necessary for adequate income.

Some comments from the large-farm partisans:

- "Farming is a business, and . . . all businesses try to provide for economies of scale. Yet people want to say that small farming is good. Well, farming has to be big in order to be efficient."
- "We have been farming for 25 years . . . and it takes three times as much land to make the same living that we made 20 years ago . . . . I doubt there is a farmer sitting in this room today that wouldn't like to go back to a half section of land, enjoy his family more, and work half the hours, if he could go back to that same price structure we had in 1942."
- "Farmers have had to increase the size of their operations. Most farmers in my area have enlarged their operations by renting land from other farmers who have retired or gone out of business or from the estates of farmers."

Statements from small farm advocates suggested some different opinions. "It is the belief of most farmers," said an Oklahoma Grange member, "that the smaller farms . . . could produce more cheaply than the larger units." A retired teacher questioned the wisdom of increasing reliance of food on a small number of large farms: "What happens to us (the 92 percent who do not farm) when Mr. Big gets hard to deal with?" One person criticized large operations while recognizing their attraction, stating: "It is foolish to force a farmer to operate 400 to 600 acres of row crops, or several thousand acres of small grain (using 2 bushels of topsoil to produce 1 bushel of corn) or to milk 100 cows or more to earn a living for his family and educate his children."

Another person sought some middle ground, recognizing the utility of both large and small operations. "We do need our larger, more efficient commercial farms. They have the ability to produce enough food and fiber for this Nation's needs and have plenty to export. However, this will involve only 4 to 6 percent of our farmers, and destroy the usefulness of 94 to 96 percent," he wrote. He went on to recommend several steps to aid the small farmer—paraprofessional programs, direct marketing assistance, and aid in increasing off-farm employment.

A few witnesses declared that small versus large was not an important issue. "Talking about the very small farmer and the very large farmer . . . is not the issue. The issue is inequitably low prices," one said.

On the subject of technology and machinery, a Louisiana witness said farmers have had to adopt new technologies to keep pace with inflating costs of production, but ". . . adoption of technology alone has not been enough." Farmers also have had to enlarge the scope of their operations. An advocate for farm-

workers took a different view: "Our machines must be scaled down in order to become 'human-sized', energy efficient, and conducive to quality food production that once again nurtures the body and not just the economy."

A Texas farmer questioned the wisdom of improving efficiency when increased output will only drive down prices: "Why do we want to (expand) research and become more efficient when it hasn't done anything but penalize us?" he questioned. "This is silly for us to want to do better when it's going to hurt us."

Flight to the Cities

On the dual problems of loss of people from agriculture and rural flight to the cities, several witnesses had opinions. As described by one person, "most of our rural areas are being deserted, (with) nothing left there but the older people." Many farmers are getting out because of economic pressure. "Why do families leave the best quality of life this Nation has to offer? We are forced to leave because we can no longer pay our debts," said another. This migration then creates pressures in the urban areas. "We have run our . . . farm families to the cities, and the cities cry for aid. They're unable to furnish the facilities that the people in the cities need."

Taxation

Regarding taxes and their effect on agriculture, witnesses said inheritance taxation is a threat to family farming. This problem is related to the difficulty many young people now face in trying to enter agriculture. Inheritance of a farm is often the only avenue. But, as one witness wrote, "if Federal inheritance tax laws are not revised, it will soon mean that only the very wealthy will be able to retain their land after taxes. Many heirs are forced to sell their inherited land to developers, foreign buyers or larger ranchers so that they can pay the 'death taxes'."

An Oklahoma farmer agreed: "From my observations sales of estates for the purpose of paying inheritance taxes have the effect of forcing most of the heirs out of farming. Continuing inflation will accentuate this trend even with the adjustments that have been made in the tax laws during the past few years." The wife of a Texas farmer added, "a man should not have to work all his life to accumulate land and cattle and equipment, and then realize that no matter how carefully he has . . . planned, his son or daughter will probably have to sell all or part of the farm to pay the cost of inheritance taxes."

Corporations in Agriculture

Several witnesses expressed concern about the role of corporations and other nonfarm businesses and individuals in agriculture. The intrusion of large nonfarm corporations into agriculture, according to the testimony, will be damaging to both family farmers and consumers. An Oklahoma peanut producer asked, "Can you imagine what would happen if a few giant corporations controlled all the food, fiber, and other products from the farm? . . . I think the price for farm products would be astronomical compared to today's food and fiber cost." A consumer from Lubbock, Tex., one of the few nonfarm consumers at the meeting, said, "Mr. Secretary, I don't want to buy my food from a monopoly of Tenneco and Cargill or OPEC."

A Louisiana farmer warned that ". . . the multinational corporations and other large institutions will use the oil company strategy in the farm industry . . . the strategy they used to destroy independent oil companies by lowering the prices until the smaller operators are removed, and then increasing prices drastically when they are in control . . . . When these large corporations move into an area, they purchase directly from the manufacturer, thus removing the local dealer . . . . This would affect not only the farmer and the local businessmen but their influx into the cities would increase (urban) problems."

Two other witnesses felt Government policy has a role in corporate agriculture. A Texas cattle raiser said ". . . it is ridiculous for the working people of the country to support—through Government subsidies, loans, and contracts—corporate farms. Does the tax dollar become the corporate profit?" And an advocate for farmworkers maintained, "the Government has the choice (of) whether we want to see a General Motors or a Ford in agriculture, or do we want . . . to allow the American family to survive?"

Values and Beliefs

Not as many value-laden statements were made in Wichita Falls as at some of the other meetings. Most of the values and beliefs expressed involved support for free enterprise and faith in the family farm. A peanut farmer gave this appraisal of the Nation and the character of its citizens: "Americans are very strong, courageous, intelligent, hardworking peo-

ple, and will do whatever is necessary to find solutions to the problems facing American agriculture."

On free enterprise many agreed with this Texas livestock farmer: "We want a way of life based on the free enterprise system, where a man can enjoy the fruits of his labor, knowing full well that by his wits and sweat these fruits are his. The man who is the backbone of this tradition we have in America is quite a unique individual."

But other witnesses said that open economic opportunity must be aided by Government in some instances. "I believe in the free enterprise system wherever possible," said an Oklahoma farmer, but there is a need for certain ". . . Federal programs to help the family farmer survive."

A representative of a commodity organization contended that ". . . if the free enterprise system is going to stay free and enterprising, it must be competitive." Another speaker said that a healthy agriculture must be open to all—that "our current farm structures have weakened democracy and free enterprise by removing from the majority of Americans any possible hope of meaningful participation in land control and use." A pessimistic view came from a Texan: "We do not have a true free enterprise system in this country. We're drifting not towards communism, not towards socialism. By defiition we're drifting into fascism, because fascism means the privilege of a few to manage the economics of a country with the help of the Government. Is this not true?"

Related to a belief in free enterprise, or a concern about its demise, were statements on self-reliance and independence. "We have proven," said a banker who loans to farmers, "that young men with the capability and right attitude can pull themselves up by their boot straps and develop a successful farm operation." Another witness said that a system of welfare for agriculture is not wanted, that "we must not design and promote programs that allow any and everyone who lives in this country to make a living from farming, because to do so brings reward to the unproductive as well as to the productive, and leads to a loss of incentive."

A Texas farmer predicted that in the future our belief in toil, risk, and effort may fade. "The work ethic of past generations, which has typified the American heritage and led to her greatness, will be eroded. Fewer (of the better) educated agricultural producers will be willing to risk a great part, if not all, of their assets each year."

Belief in the value of the family and the family farm was strong in Wichita Falls. "One of America's most precious resources is its pool of independent farmers," said the president of Texas WIFE. "For most of our history, the family farm has been the seedbed of our culture. It is at once a business, a job, and a set of family relationships."

There were also expressions of faith in agricultural efficiency and technology. "Why do we spend in constant dollars less for food today than we did 20 years ago . . .?" one person questioned. "The answer is in the miracle of American agriculture, a system so efficient that it provides more food for more people more cheaply than any in the world's history." And, there were occasional references to stewardship of resources. If we do not adopt proper conservation measures, asked one witness, "what generation will come along and find topsoil gone forever?"

Mailed Comments

Fifty mailed comments and statements were included as part of the Wichita Falls meeting record. Subjects eliciting the greatest number of comments included farm size and efficiency, conservation and the environment, farm income and parity, land, energy, and the role of Government. Each of the three most often mentioned issues—size/efficiency, conservation/environment, and income/parity—were brought up by nearly one-fourth of the mail contributors. This differs from the emphasis during the December 6 public hearing, where inflation and farm prices overshadowed other issues.

Farm size and efficiency: On size issues, most of the statements submitted dealt with the large versus small farm debate. Most of those statements concluded that larger farms are more efficient. "The success story of American agriculture," said a representative of the Louisiana Cotton Producers Association, "is due primarily to increased farm size which has led to greater efficiency and lower costs." According to a cotton gin operator, "the small family farm has disappeared because it was no longer efficient." A State official called for a new definition: "Big is not necessarily undesirable . . . . The idyllic, 50-acre, one-horse farm is a thing of the past . . . . But this does not mean we should abandon our efforts to strengthen the family farm—only that we must reshape our image of what constitutes such an operation."

There were, however, different views. For example, an Oklahoma banker noted that, although we have ". . . super farmers capable of feeding 47 city people, . . . we must also be aware that almost

exactly that number provide supplies and services to farmers to make that type of performance possible." Efficiency then depends on how it is defined and measured. "The mania for bigness," said another contributor, "has, year after year, reduced the ranks of farm owners who reside and work on their farms. Government policies, often influenced by self-interested legislators or officials, have abetted the trend." But the dominant opinion was voiced by a 4,000-acre Texas farmer, who opposed any restrictions on program benefits to larger farmers or scaled-up taxes on larger machinery and land holdings.

Conservation and the environment: A few witnesses said conservation practices should not be mandatory. Others disagreed, favoring ". . . a rigorous tie between adherence to conservation practices and access to the numerous Federal programs of financial assistance," said a part-time Oklahoma farmer. Another contributor said Government should provide more help to older farmers who wish to undertake conservation measures or irrigation. Such older producers will not be in agriculture long enough to realize a return on these expensive investments. The cost of conservation is also a factor when farm prices are too low, according to a Texas cotton farmer. High production costs and low returns, he said, mean ". . . we cannot ever take care of our land the way it should be kept up."

Two people said predator control regulations hurt the livestock industry. And the head of a natural foods grain mill wrote in favor of more organic farming.

Farm income and parity: Several contributors called for prices at 90 or 100 percent of parity. But, in comparison to the public meeting, not as many of those who mailed in comments addressed price, income, or inflation issues. An Oklahoma farmer recommended linking soil retention, payment limits, and parity: "All farmers complying with a soil conservation program in cooperation with the Soil Conservation Service would be guaranteed 100 percent of parity for all crops up to a value of $30,000."

A statement submitted by the Grain Sorghum Producers Association, headquartered in Lubbock, Tex., referred to the "boom or bust" farm price cycles of the early 1970's. "When farmers had crops to sell, their market prices were too low to cover production costs, and when prices were favorable (as in 1975) very few farmers had crops to sell," it said.

Land: Several statements and letters focused on land issues. Two dealt with the loss of agricultural land to competing uses. "The urban developer," wrote an Oklahoman, "wants the prime agricultural land because such land requires less site improvement than the agriculturally unsuitable land. The developer can and does outbid the farmer for this desirable land." This participant recommended incentives to developers for use of other land.

Several contributors said there should be no land use planning or regulation by Government. Another, a Texas seed dealer, identified outside investment in agriculture as a problem. He wrote that ". . . speculation in land for appreciation, tax shelters, tax havens, and outside income 'dumping grounds' without regard to production participation are the greatest threat to family farms that exist." An opposing view came from a spokesman for the Chamber of Commerce of New Orleans, who said, "We are opposed to regulations which would prohibit or restrict alien or corporate ownership of agricultural lands."

Public policies: Several who mailed comments expressed general and some specific objections to Government regulation and interference. "Government agency influences in the guise of rules and regulations," wrote the South Texas Cotton and Grain Association, "contribute significantly to the costs of production of farm producers. Federal agencies should prove beyond a reasonable doubt that specific rules and regulations are needed." A Texas official said that, ". . . in deciding or modifying farm policy, we should not be misled into assuming that Government is the answer to all of the problems faced by agriculture . . . . In fact, over the years many farmers and ranchers have come to distrust the Government's involvement in their business, precisely because it has often worked to their disadvantage." A correspondent from Louisiana suggested that, "when possible, agencies administering agricultural programs should be required to have minority representation on the local governing body of that agency."

Energy: A few writers mentioned various energy shortages and the need for self-sufficiency. One recommended more gasohol production. But another warned that food and fiber production may decline if we push production of energy crops. If we ". . . substitute farm-produced fuel alcohol for petro-energy, we will find that we will affect adversely the production of crops in direct proportion to the size of the farm," this person said. Smaller farmers will be more efficient and will thus increase in number.

Other issues: Seveal other issues were addressed in the mailed comments. On credit, the New Orleans Chamber said agricultural credit needs should ". . . be handled by the private sector wherever possible." But another witness recommended keeping the credit programs as they are now. An Oklahoma banker said,

". . . it is important that the FmHA direct its major emphasis on small farms."

A few people commented on taxation. Most mentioned the inheritance tax laws. "Family farms with a historical continuity are being taxed out of business by estate taxes, in spite of the so-called Act of 1976," in the opinion of one writer. One recommended revising the tax code to ease entry into and exit from agriculture.

Several referred to agricultural research. All these comments called for more, or at least no less, research money.

The role of corporations and agribusiness was mentioned occasionally. One person felt family farm corporations should not be acted against in any attempt to deal with nonfamily corporate agriculture. A representative of the Texas Poultry Federation said vertical integration in his industry is good because ". . . it has meant economy in the grocery store and at the same time a fair return to the integrated companies in most years."

Limited remarks were made about marketing; that rail transportation should be upgraded, and exports promoted.

Entry into farming was brought up by several participants. One recommended Federal or State low-interest loans for few farmers. Another offered a more detailed "new start" plan for producers. The plan would consist of two parts—one for beginners under age 30, the other for more skilled persons between 30 and 45 years of age.

Water issues also were mentioned. "In the coming years," said the chairman of the Texas Water Development Board, "the Nation must develop the means to maintain and increase agricultural production. One of the ways in which we can do this is to prevent the decline of irrigated areas."

Panelists: Jim Billington, Altus, Okla., president, Oklahoma Wheat Association; Sr. Anne Catherine Bizalion, Jeanrette, La., Southern Mutual Help Association, Inc.; Bruce Bradford, Powell, Tex., farmer; Vernon Breckenridge, Hennessey, Okla., farmer-rancher; Mike Burkholder, Pecos, Tex., farmer, Trans Pecos Cotton Association; Jack Coppedge, Holdenville, Okla., president, Oklahoma Peanut Growers Association; Alfredo de Avila, Hidalgo, Tex., Texas Farmworkers Union; Sue Duncan, Lubbock, Tex., teacher, consumer; Jerome Friemel, Hereford, Tex., American Agriculture Movement; Harvey Gardner, Hydro, Okla., farmer, American Agriculture Movement; Nita Gibson, Seminole, Tex., Cotton Pool of Texas, Inc.; Fred Karle, Edinburg, Tex., farmer; Glenn LaHaye, Ville Platte, La., farmer and rice mill operator; Jess Lloyd, Shreveport, La., banker; Jay Naman, Waco, Tex., president, Texas Farmers Union; Marvin Purdy, Tonkawa, Okla., master, Oklahoma Grange; June Saylor, Muleshoe, Tex., president, Texas WIFE; Houston Thomson, Hugo, Okla., National Farmers Organization; Bill Wedemeyer, Waco, Tex., Texas Farm Bureau; David Witts, Fort Worth, Tex., Texas and Southwestern Cattle Raisers Association; Clarence Wolf, Windthorst, Tex., farmer.

Open Microphone: W. L. Albright, Houston, Tex., North Channel Area Chamber of Commerce; Glenn Allred, Deaf Smith County, Tex., farmer; Don Berend, Windthorst, Tex., farmer; Craig Bryant; Mell Cherry, Lorenzo, Tex.; Sid Conner, Lone Wolf, Okla., farmer; Vince Cortese, Bell County, Tex.; Jerry L. Cox, Tex., farmer; Key Crawford, Hereford, Tex., farmer; Derel Fillingim, farmer; Barbara Fitts, Rockdale, Tex., farmer; Charlie Fitts, Rockdale, Tex., farmer, American Agriculture Movement; Gene D. Frisbie, Childers, Tex., farmer; Jerry Gee, Spearman, Tex.; Jerry Don Glover; Ted Godfrey, Spearman, Tex., farmer; Susan Hughes, Tex., Texas WIFE; Carl King, Dimmitt, Tex., farmer, Texas Corn Growers; Lyman Knapp, Blackwell, Okla., farmer; Lee L. Lemons, Marietta, Okla., farmer; Preston Lewis, Water, Inc.; David Liles, president, Oklahoma National Farmers Organization; Fred Lundgren, Elgin, Tex., farmer; Gerald McCathern, Hereford, Tex., farmer, American Agriculture Movement; Richard McDonald, Texas Cattle Feeders; Marvin Meek, Plainview, Tex., farmer, national chairman, American Agriculture Movement; Darrell Miller, Lewis, Kans., farmer; Joe Morris, Gruver, Tex., farmer; Mike Paschel, Deaf Smith County, Tex., farmer; Kay Reese, Cherry County, Tex., Texas WIFE; Robert Ross, Webbers Falls, Okla., Oklahoma Soybean Association; Edward Smith, Leedey, Okla., farmer; J. B. Stelzer, Celina, Tex.; Eldridge Sullivan, Lawton, Okla., farmer; Wiley Tabor, Quanah, Tex., farmer, president, Texas Association of Farmer-Elected Committeemen; Graddy Tunell, Plainview, Tex., High Plains Research Foundation; Tim Turner; Joe Unfred, farmer, president, Plains Cotton Growers, Tex.; John Williamson, Jr., Iowa Park, Tex., farmer; Mrs. Parker Yarbrough, Valley View, Tex., farm wife.

Written Comments: Nancy Benedict, Wise County, Tex.; Scott Brown, Lazbuddie, Tex.; James C. Conkwright, Hereford, Tex.; Joe Cook, Cee Vee, Tex.; Samuel E. Curl, Texas Tech University, Lubbock, Tex.; John M. Fisher, Marlow, Okla.; Harvey G. Gardner, American Agriculture Movement, Hydro, Okla.; Jose Angel Gomez, ORO Development Corporation, Oklahoma City, Okla.; Grady W. Guyer, Brownwood, Tex.; Tom Herje, Duncan, Okla.; Malvin Jarboe, Floydada, Tex.; Jack Justus, Arkansas Farm Bureau Federation; Fred Karle, Edinburg, Tex.; John W. Kincaid, Corsicana, Tex.; Lee L. Lemons, Marietta, Okla.; Jack Mallory, Canton, Tex.; DeLoss McKnight, Wayne, Ark.; Charlotte McLaughlin, Petersburg, Tex.; George Meachum, Jr., Clinton, Okla.; James P. Mitchell, Wolfforth, Tex.; Hermon Petty, Mineral Wells, Tex.; David A. Ralls, Huntsville, Tex.; Kay Reese, Cherry County, Tex.; Johnnie Rollins, Southwestern Peanut Growers Association, Granbury, Tex.; Robert C. Ross, Oklahoma Soybean Association, Webbers Falls, Okla.; Selmer Schoenrock, Levelland, Tex.; Versie Segers, Newellton, La.; Herbert C. Gustison, Carnegie, Okla.; Martin Wardlaw, Texas Sheep and Goat Raisers' Association, San Angelo, Tex.; Water, Inc.

Mailed Comments: J. R. Bath, Alexandria, La., Louisiana Cotton Producers Association; Joe D. Barnes, Ackerley, Tex.; David Berry, Adair, Okla.; Ramon E. Billeaud, New Orleans, La., American Sugar Cane League; A. L. Black, Austin, Tex., Texas Water Development Board; Henry Black, Crowell, Tex.; Reagan Brown, Austin, Tex., Commissioner, Texas Dept. of Agriculture; J. B. Cooper, Roscoe, Tex., Texas Federation of Cooperatives; Floyd L. Corty, Baton Rouge, La., Louisiana State University; J. E. Crabtree, Conlen, Tex.; Richard Daly, Austin, Tex., Texas Catholic Conference; Russell Dethlefsen, Dallas, Tex., Southland Corporation; Frank Ford, Hereford, Tex., Arrowhead Mills; Albert A. Forrester, Ferriday, La., Concordia Electric Cooperative; Charles R. Fowler, Ninnekah, Okla., Fowler Farms; Grain Sorghum Producers Association, Lubbock, Tex.; D. V. Guerra, Edinburg, Tex.; P. R. Harper, Chickasha, Okla.; James Hurd, Hereford, Tex.; Byron Johnson, Crawford, Tex.; Larry Keith,

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Paducah, Tex.; Edwin Kessler, Purcell, Okla., Great Plains Apiaries; Edwin Ketchum, Duncan, Okla., farmer; Carl L. King, Dimmitt, Tex., Texas Corn Growers Association; M. C. Kirkpatrick, Mullin, Tex.; Lyman Knapp, Blackwell, Okla.; Elmer Frank Knowles, Arnett, Okla.; Harold Kusenberger, Fredericksburg, Tex.; F. R. Loesch, Booker, Tex.; Dan P. Logan, Gilliam, La.; T. B. Mason, Tahoka, Tex.; J. R. McCaull, Okeene, Okla.; Wayne Mixon, Seminole, Tex.; J. K. Nicholson, Chamber of New Orleans and the River Region, New Orleans, La.; Willie A. Nieman, Tahoka, Tex.; David Oefinger, Victoria, Tex., South Texas Cotton and Grain Association; Mrs. Stanley Peavey, Jr., Graham, Tex.; Bill Powers, Austin, Tex., Texas Poultry Federation; Ray Joe Riley, Hart, Tex.; Paul Schnaithman, Billings, Okla.; William J. Terrell, Navasota, Tex.; Frank Tidwell, Cheyenne, Okla.; Security State Bank; Luther Tweeten, Stillwater, Okla., Oklahoma State University; Eldon Whitman, Crowell, Tex., Foard County Soil and Water Conservation District; Paul Wilson, Belcher, La.; George B. Wint, Oklahoma City, Okla., Oklahoma Department of Wildlife Conservation.

Denver, Colorado
December 11, 1979

(Arizona, Colorado, New Mexico, Utah, Wyoming)

Nearly 600 persons struggled through an early morning snowstorm on December 11 to join Secretary Bergland, Assistant Secretary Alex Mercure, and Colorado Commissioner of Agriculture Morgan Smith in Denver for the seventh of 10 public meetings on the structure of American agriculture.

Regional Profile

People came from at least eight States to talk about their concerns, even though the meeting was focused on the five-State region of Arizona, Colorado, New Mexico, Utah, and Wyoming. In these five states, income from farming made up 2.5 percent of total personal income in 1977. The region is home to a significant Hispanic minority, more than 1 million of the nearly 8 million residents of the States. Farms in the region are large, averaging from 1,049 acres in Utah to 6,983 acres in Arizona. A relatively small American Indian population lives on nearly 33 million acres of land under the Bureau of Indian Affairs jurisdiction in the region. Nearly 200 million acres of rangeland is found in the region, comprising from 42 percent to 75 percent of the land within individual States.

Total farm sales amounted to approximately $6 billion in 1978, roughly 5 percent of total farm sales nationally. That $6 billion includes $4.3 billion from livestock sales. Cattle are the top product in all the States, and Colorado is fifth in sales nationally. Other important farm products are wheat, cotton, dairy, hay, and corn in Colorado; sheep and lambs, plus lettuce, in Arizona; sugarbeets in Wyoming; and turkeys in Utah. Arizona ranks second nationally in sales of hay and lettuce, and is also among the leaders in sales of cotton.

Sixty-six persons spoke during the meeting, 22 making scheduled presentations and 44 commenting during the open microphone session. Thirty-three people in the audience left written remarks, either prepared in advance or in obvious response to the day's discussions. Ten of the 22 scheduled speakers identified themselves as farmers; another significant bloc represented themselves as farmers or members of farm families in addition to being spokespersons for organizations in which they were active.

Both traditional and younger farm organizations are found in the region. The Farm Bureau and the American Agricultural Movement (AAM)—which began in Colorado—are represented by organizations in each State. The National Farmers Union—whose headquarters is in Denver—is in Colorado, New Mexico, and Utah. The National Farmers Organization is in Colorado and Utah, and the Grange has representation in Colorado and Arizona. The second-vice-president and national spokeswoman of Women Involved in Farm Economics (WIFE)—another of the younger organizations—lives in Colorado, and WIFE members were prominent among female contributors in Denver.

Speakers on panels and from the audience readily identified themselves with each of these groups, as well as with organizations having more limited interests. The National Cattlemen's Association was represented as was the Colorado Wheat Administrative Committee. Cooperative organizations were represented by persons speaking for two of the country's 100 largest co-ops—the Mountain States Beet Growers Association and the Mountain Empire Dairyman's Association—and by one of the smaller such groups—the Colorado Organic Growers and Marketing Association. There was a speaker from the Colorado Migrant Council, plus representatives of the Navajo Nation and the Hopi Tribe. The agribusiness community was represented, as were conservationists and community developers. The religious community was represented by a Catholic priest and a spokesman for the Wyoming Church Coalition—a group concerned about rural issues—and a worker in an ecumenical program.

Because of the weather, the usual practice of starting these meetings with presentations from a panel of representatives from the broad-based farm organizations was altered in Denver, and scheduled

speakers who had made it to the meeting on time became the first panel. Early speakers brought up the topics which were a familiar part of the national dialogue, but also introduced subjects peculiar to this region.

Prices

Inflation, escalating costs of production, inadequate returns to farmers, and parity came up early and often. About a third of the speakers specifically mentioned this subject. A Colorado AAM representative said "the real problem is low prices in the marketplace . . . parity." A Utah farmer who said he worked between 3,000 and 4,000 acres concluded on this note: ". . . Fuel interest and inflation add up to the fact that we simply need more money for our products." Later, the master of the Colorado Grange said, "Inflation and the high cost of production make the cost-price squeeze an insurmountable giant." And near the end of the day, a WIFE member and farmer reiterated: "There is a diversity of problems affecting America's agriculture producers. We feel that many of the problems would be solved if the producers of agricultural commodities could receive an equitable price for their commodities at the marketplace."

Water

But speakers in Denver also addressed the issues which were especially theirs. The western concern with water was foreshadowed even before it was actually brought up, by speakers who routinely described their operations as "so many acres dryland," or "so many irrigated." A WIFE leader from Colorado talked about the water supply pressures already evident in the region. "Water shortages already exist in 21 of the 116 subregions of this area. The Ogallala aquifer serves six Western States, including Colorado. In 1937, 600 wells existed in the Ogallala. Today there are 55,000 and the aquifer has begun to grow dry . . . ," she said.

The chairman of the Hopi Indian Tribal Council of Arizona talked about Indian water rights, saying, "As corporate farming has grown and exerted increasing demand on the Nation's water resources, the tribes are the first victims, losing their valuable water to the politically influential non-Indian community . . .Perhaps the question of water rights will be the single most critical issue to which the Indian people must find a solution."

One young farmer and agribusinessman talked about the private organization of landowners and citizens which was addressing the problem of future water supplies, and offered this group as a model for local self-help approaches. "The focal point of my presentation is not the technical aspect of our relatively small project which we hope will alleviate the coming acute problem in our isolated area," he said, "but rather to demonstrate to you that local farmers, ranchers, and rural citizens have the capability to recognize areas of need and have the ingenuity and the desire to seek solutions to these problems."

Rangeland

Another western problem—access to and use of public rangelands—was introduced early. The National Cattlemen's Association representative, himself a cow-calf operator, defined the Association's position: " . . . we in the industry, particularly in the Western States, can't help but feel at the present time that other segments of the American public are having perhaps more impact on what is going to happen to the public lands than is the American cattle industry. . . . I think the American cattle producer does not want to feel that his hands are tied, that he's going to be driven off his public lands."

Predator Control

A Wyoming sheep producer talked of another regional problem, predator control. "Each year coyotes and other predators kill a sizable share of the lamb crop. Last spring, I lost 125 lambs per every 1,000 sheep on my ranch due to predators. The situation will only get worse, as the coyote population is up well over 300 percent in recent years. Many of our most effective tools for controlling predators have been banned. Recent rules announced by the Department of Interior further limit the steps ranchers can take to protect their flocks from predators," he said.

Farm Labor

Contract labor is used extensively in some areas of the region, and speakers presented a range of viewpoints on this subject. A young farmer from New Mexico, working 1,100 acres in partnership with his father and brother, initiated the discussion by relating his problems with regulations affecting contract labor: "It is ridiculous that I can hire a tractor driver, but I cannot hire a group of people to weed or harvest without hiring a labor contractor, which only increases my cost of production."

The executive director of Central Arizona Citrus Harvesters and farming manager of Production Farms Management related his experience with the "H-2 program" which permits the temporary admission of foreign workers: "Over most of the past decade, our industry has hired illegal aliens to pick all of our citrus in the county. In the past few years, because of the problems involved with hiring illegals and partly because of our conscience and a lot because of the press, we decided to deal with the matter and try to do something about it. . . . We finally, after 2 year's work, had some success and we brought in 350 workers legally into the country and we have hired a lot more U.S. citizens than we ever did. But we've only had a partial success. There's still producers hiring illegal aliens . . . " He urged that "USDA get into it."

On the same panel, the spokesman for the Colorado Migrant Council—an organization concerned with the general welfare and rights of migrant and seasonal farmworkers—noted that the H-2 program " . . . has an adverse effect on the wages of domestic farmworkers and is a program that either needs to be done away with or scrutinized more closely. It further negates all previous efforts (by) farmworker(s) to unionize and seek self-sufficiency."

He went on to talk about other problems of farmworkers. "On an even lower rung on the scale are migrant and seasonal farmworkers who are not only not protected by the agricultural industry but are actually victimized and violated by it. Topping the list are pesticides and mechanization. The effect of mechanization on farmworkers is that each year thousands are displaced from their livelihoods by machines. Yet, there are no plans and no capital investment on the part of this Government to retrain those workers to enter the labor force in another capacity."

Regionalism

A common tone throughout many presentations was that western farmers did not feel they were very well understood by the eastern-based government. As the sheep producer said in talking about the water problem, " . . . the Federal Government does not seem to comprehend the severity of our problems in the West. Out here, water projects are not pork barrel projects. They are vital to capturing and storing the moisture that helps us bring our arid land into useful production."

A WIFE member from Wyoming, who identified herself as both the wife of a farmer and the mother of three young farmers, expressed her concern in writing: "it is very difficult to express the grave circumstances which plague people in agriculture in our area. I ask our Government to help equalize agriculture East and West. . . . "

Energy

Contributors linked regional concerns to their comments on the 12 topics of structure around which these meetings were organized. One of those topics—present and future energy supplies—was taken up by about 25 percent of the speakers in one way or another. Often it was coupled with inflation, usually as a prime example of what these factors were doing to the cost of production.

Farmers specifically expressed concern about the availability and stability of the fuel supply. A gasohol commodity chairperson for WIFE from Nebraska voiced her uncertainty. " . . . one (subject) that I'm deeply concerned about and that is energy to run our machinery to get our grain in the land. Does the Department of Agriculture have an answer to where we will get this energy . . . ?" She went on, "Just remember that if we're without fuel for 5 days, it really is a desperate situation." A fellow Nebraskan, speaking on behalf of the Farm Bureau, reiterated this concern: "On the issue of energy, the provision of adequate sources of energy is one of the most critical problems presently facing this Nation and its general agricultural industry. . . . A sound energy policy should recognize, one, that the market system is the best method of allocating scarce energy resources, and, two, that the energy needs of agriculture are critical to the national economy."

Also common were questions about USDA's position on alternate energy, and urgings that the Department support it, as in the written statement from a Colorado member of WIFE: "We must escalate our efforts to utilize all forms of alternative energy. Two of these forms, namely ethanol and methane, can be produced from agricultural products and wastes. Being renewable each year, a constant supply would be possible. Although Congress has passed legislation for loans for large plants, small on-farm plants must be encouraged. . . . In order to get on-farm production going there must be plans made available which are simple and inexpensive to make so that even the small farmer can utilize this source of supply."

During the open mike period, a Wyoming woman farming with her husband suggested that "maybe by using farm renewable fuel we could avoid a 50-cent surtax on gasoline." And from a city-bred Coloradoan:

"I would like to see a development in agrifuels . . . this is a real opportunity for the farmers to get up in there and start side by side with the major oil companies. . . ."

Several spoke on the interrelationship of water and energy, in some cases of the ways in which pressure for energy development exacerbated water supply problems. A Navajo speaker described how the situation affected his people: "Other potential farmlands could be developed . . . in Arizona and New Mexico. It is on these very small acreages that nearly one-third of the Navajo population survives. At the present time, uranium and coal mining activities are depleting the ground water of the Eastern Navajo Reservation in New Mexico. This water is going to waste."

The president of the Wyoming Rural Electric Association, also a rancher, offered another perspective on the water-energy issue. "Until approximately 1974, the power supplied by the rural electric systems in Wyoming came from the Bureau of Reclamation hydro projects," he explained. "We continue to utilize that power and hope to do so in the future . . . We further believe that there are additional opportunities for the development of hydro power in the West, and that the Government should move vigorously to encourage this kind of development."

Yet another kind of alternate energy was addressed by a solar architect working in the San Luis Valley, where the number of home solar systems has gone from 10 to 400 since 1976. He explained why solar energy was economically important to rural areas; said current government programs often were a hindrance rather than a help, but could be made to work better. "As you know, rural areas are not serviced by natural gas and rely on much more expensive fuel sources for heat, such as electricity, propane or fuel oil . . . Bucause of these more expensive fuel sources, the economic feasibility of solar use is much more positive . . . ," he said. "At the same time, many of the FmHA programs do not really encourage and, in fact, discourage the use of solar on the homes." He urged a self-help approach: "Families and people in rural areas are also much more at ease with do-it-yourself approaches. They are more willing to put sweat equity in, lowering the overall cost. Therefore, low-cost, low-technology, sidebuilt solar applications should be eligible for loans through FmHA."

Land Use

Contributors in Denver also talked about their environment, including land use issues. Between 25 and 30 percent mentioned it in one way or another. A New Mexico producer said, "day after day we see prime agricultural land being put under concrete. Farmers are being forced to farm marginal land. The best farmer in the world cannot grow tomatoes on rocks." He went on to talk about what he termed was an irrational use of available land: "In our county, 90 percent of the land is owned by one form of government or another and most of it consists of sand hills. The other 10 percent is privately owned and is good farmland. Because of our warm climate we are finding that people are moving in and building on the farmland. And the land that has no farming value but would be excellent for construction is being held by the BLM." This NFO representative was also concerned that "the land is being diminished by asphalt, industrialization, and urban sprawl . . . ."

The president of the Rocky Mountain Farmers Union presented a policy statement developed by his organization which included this plank on the preservation of prime agricultural land: "There should be State-by-State land use legislation which would include provisions such as zoning, land classification, a recapture tax, developmental rights and compensation, (and) limited restrictions on the location of industry, business, and housing . . . ." A woman from Fort Morgan, Colo., spoke against a specific kind of threat to agricultural land: "This right to farm has been intruded on by spot-zoned urban development. Leapfrogging jeopardizes all agriculturalists and taxpayers because it sets a precedent and it is costly for everyone." The last open mike speaker of the day, a wheat, sorghum, and cattle farmer from Kansas remarked: "I wanted to make a point that farmers do not pave their farms. Urban people pave the farms."

The loss of agricultural land was not the only aspect of the issue considered. Some people focused on how the land was now being used, like this representative of the organic farming movement: "One of the problems in this country in agriculture that we feel is wrong is . . . the chemical nature of it. We would hope to see this changed very, very soon because time is running out, the soils are being eroded and going down the rivers and into the ocean. The health of the Nation as a whole is being upset and degraded . . . ."

A representative of the Institute of Rural Environmental Health at Colorado State University submitted written remarks which centered on protecting the occupational health and safety of agricultural workers: "We obviously need efficiently run agricultural operations as well as productive ones. We also need safe and healthful ones for the farmer, his

family, and his neighbor."

Improper conservation practices on farms, often the result of economic pressures, were mentioned by several farmers. A young farmer recounted his observations: "In the past . . . a loophole was in the program which allowed certain so-called marginal lands to be developed. And these people would take this land, break it out of its sod, and then put it into agricultural production such as wheat farming. This land is then unable to raise a sufficient crop in most years so that these people are qualifying for disaster programs and everything else."

A man who worked with community garden projects and viewed agriculture from the consumer perspective, complained: "I don't like what I see in agriculture, what's happening to the land in this country today. Present farming practices are developed by large corporate interests and promoted by the USDA . . . . Overgrazing is permitted by the Forest Service and the Bureau of Land Management, which also charge unrealistically low grazing fees. The result is that vast areas of public land in the West are effectively closed to the public who subsidizes their destruction."

The Colorado Wildlife Commission chairman suggested a way to combine the interests of farmers and wildlife conservationists: "I propose that the USDA recognize wildlife habitat as a crop, a product of the land, and that the production of wildlife habitat be incorporated into the formal policies which structure American agriculture," thereby resolving tension between the two competing interests.

Marketing and Transportation

About one-fourth of the active participants honed in on some aspect of the marketing system, including transportation. A farmer from the high plains of eastern Colorado declared, "The transportation system for agricultural products must have higher national priority." The chairman of the Colorado Wheat Administrative Committee expressed concern about deregulation in the transportation industry. "The exemption from controls of trucks hauling unprocessed agricultural products has been considered to be a plus for agriculture. However, we are concerned that total deregulation of all modes of transportation may be a detriment to agriculture," he said. "Further abandonment of branch lines and the unrestricted ability of railroads to increase the rates where competition is not keen will also have a definite effect on the structure of agriculture." This farmer, working 1,300-plus acres in Colorado with his two sons, said: "During the harvest season the present transportation system just doesn't get the job done."

A New Mexico farmer called for a "standardization of gross weights and length of all trucks in all States." A Longmont dairy farmer, the executive director of the Mountain Empire Dairymen's Association, discussed truck weight limitations in terms of energy efficiency: "We've done some studies and I think it would be possible to tie two 40-foot trailers together, fully loaded, no increase in axle weight, and save two-thirds of the fuel on that second load."

A spokesman for the Colorado Farmer's Union expressed more fundamental problems with the marketing system. "Farmers lack a feeling of predictability about markets and prices," he said. "If anything, the element of risk in farming has become more severe as a result of the adoption of the Agricultural Acts of 1970, 1973, and 1977, and the nature of the implementation and administration of these laws. Public policy has abruptly shifted risk to the producers." He also implicated international markets: "These international markets are subject to variable weather, to political instability, to a market system dominated by multinational traders. With the concurrence of national governments, it is a system stacked against the interests of raw materials producers. It is a market in which our producers usually get clearance sale prices." Others also talked about export markets and policy.

Several suggested that the export market was the place where the American farmer ought to be able to make up for what some said were low domestic prices. A Utah farmer said, "I think if we in agriculture are required to subsidize the domestic consumers, we should be entitled to 100 percent parity on our exports. This could possibly require the use of export subsidies. This could in turn entail the use of tax dollars for this purpose." The Colorado AAM representative agreed: "If we're going to subsidize poor countries to buy our commodities, let's let the Nation subsidize those countries, not the farmers."

A Colorado WIFE member wrote: "Because exports are so integral to agriculture, I feel USDA policy should more strongly reflect the need to increase exports and assist the farmer in gaining access to and benefitting from this market . . . . To assist the producer in benefitting from exports, we need a policy of assisting co-ops in direct export selling. Farmer co-ops handle only 9.3 percent of total U.S. exports today. This share must be increased to insure the producer of receiving some of the benefits from the export markets."

Cooperative organizations drew this written comment from the Colorado Cooperative Council: "Cooperation and cooperatives give agriculture its best chance for freedom with opportunities for each individual farmer/rancher to gain the advantages of quality marketing and purchasing."

The NFO representative talked about another group strategy in the marketplace: "For 10 years I have looked upon collective bargaining as the ideal way of giving the owner-operator a method of increasing price or income . . . . Perhaps the involved Government agencies could give the bargaining concept as much vocal support and assistance as they do the traditional co-op systems."

Others concerned about marketing brought up very specific items. Two ranchers in the audience advocated control of the futures markets. Several speakers talked about electronic marketing. A Colorado WIFE member said " . . . there is too much reliance on the yellow sheet. Neither the yellow sheet nor the meat sheet gives a comprehensive picture of the market for wholesale meat. A probable alternative to these two reporting systems is a computer system for electronic marketing programs. I would hope that private industry would take the lead in developing this new system."

Only a few speakers directly mentioned the other side of the production process—the input supply system, and two of them spoke favorably of their farmer co-op systems in this light. A Colorado producer commented, "We are member-owners of two farm supply cooperatives, two electrical service cooperatives, a market cooperative, five water and ditch companies, and a finance cooperative . . . . In 1973, when fertilizer products were in great demand overseas, the cooperatives supplied their member-owners here at home. Our cooperatives have supplied our farms with necessary fuels, even during periods of shortage and tight supplies. There are many services offered by co-ops that have been abandoned by private enterprise because of the marginal profit potential."

Taxes and Credit

About 20 contributors talked about tax and credit policies. Inheritance taxes and how they inhibit the transfer of land from one generation to the next came up often. As a Colorado WIFE member wrote: " . . . the inheritance tax makes it impossible to keep the farm and pass it on to your children." Several also voiced resentment about tax advantages available to corporations and other nonowner-operators, like this farmer from Yuma, Colo.: "Corporation taxes should be the same as an individual is under . . . ." A Montana resident in the audience wrote, "Tax laws should be changed to prohibit farm losses from being written off on nonfarm income . . . . Agriculture should not be a tax shelter for any nonfarm individual or organization."

Several persons linked their tax policy comments to the status of farm women. The president of Colorado WIFE laid out the case: "A farm wife who for years worked alongside her husband finds upon his death that she is the victim of the 'widow's tax.' If the land was held in joint tenancy with rights of survivorship, it is assumed that the property belonged to the husband solely. If she has worked on the farm, and has had no outside income, it is extremely difficult to prove a financial contribution to the farming operation. Neither IRS nor Congress has accepted the idea that a woman's farming labors are a beneficial contributing factor."

The Wyoming Church Coalition representative, in reviewing church position on farm and rural issues, highlighted their call for "review of Federal, State, and local tax policies and elimination of all discrimination against family farms and surviving spouses."

The NFU spokesman presented his organization's position: " . . . the orderly transfer of family farm and ranch estates within the family is essential. This cannot be achieved if the 'carry-over basis' provision of the Tax Reform Act of 1976 is implemented as scheduled on January 1, 1980. Therefore, we urge that Congress repeal this provision and replace it with the 'stepped-up basis' of property valuation at death, as it existed under prior law. In addition, the husband and wife should be considered equal owners of farms . . . . It should not be necessary for the wife to prove she helped pay jointly for property acquired between 1954 and 1978. We ask that it be recognized that all joint tenancies are owned half by each."

Credit policies elicited many personal experiences, and FmHA programs came up often. A wheat farmer on the first panel noted that, " . . . this past year, our interest was 25 percent of our gross income." A Colorado producer declared, "I do favor continued FmHA programs for actual disaster areas and young farmer financing, but I strongly oppose bail-out of large, poorly managed, over-expanded operators with FmHA funds!"

The Chairman of the American Indian and Alaska Native Rural Development Task Force talked about the credit problems of this group: "I think that the lending institutions in general are moving their clients toward Government-guaranteed programs.

They're wanting to get out from under those heavier loans that Indian clients carry . . . . Farmers Home made a lot of credit available to some of our Indian farmer and ranchers . . . . If FmHA is going to continue to serve the Indian credit needs, I think we should have a special allotment for Indian credit and a delivery system that is more positive to our people."

Entry, Exit Barriers

Frequently, credit and tax policies were considered in conjunction with barriers to entry and exit in the agricultural sector. A little more than 10 percent of the contributors mentioned this subject specifically. The Colorado Farm Bureau president said, " . . . a major obstacle for beginning farmers and for the agricultural economy in general is created by unfair tax advantages allowed nonagricultural firms and foreign investors." A Wyoming sheep producer suggested that " . . . credit policies can be used to encourage young people to enter agriculture, as is being proposed in the Young Farmer Homestead Act."

A Denver milk bottler talked about the problem in similar terms: "We feel that the main problem that they fight and we fight are the inheritance taxes . . . . I have the same problem with my own son. If he chooses to come into the business, we have to make some type of arrangement so that when my father passes on and I pass on, that the business can remain active." Some young farmers spoke for themselves: "I am a young farmer attempting to enter farming as a career . . . . The major barrier to young people attempting to enter agriculture is not the price of land, but the price of agriculture commodities. The solution is not in new ways to borrow money; all farmers have borrowed far too much for good business practices."

One farmer had a different idea about how the young farmer might be assisted. "I don't think it's right for the farm credit system to loan 100 percent and finance this young man because there's no way in the world he can pay the price of ground and just pay the interest," he said. "I think that there should be a tax credit to some of the old-timers. We have a lot of farmers that are 60, 65, 70 years old . . . they would like to get out of the farm but there's no way to turn. They can start some young man if they had a good tax incentive to help them along."

The Colorado Wheat Growers Association representative predicted a shortage of young farmers in the foreseeable future: "We are on a merry-go-round where it is impossible to get on and those who lose their grip fall off. One of the most severe problems of the eighties will be: Where will the farmers come from that can raise the needed capital and master the technology?" A young man from Aurora, Colo., who had the interest and experience, felt he couldn't look forward to farming in the future. "Farming has been my whole life for the 24 years that I have been alive," he wrote. "I would like to raise my own family on the farm, but under present circumstances I can see very little possibility." A Roman Catholic priest commented upon the remarks of a Future Farmer of America representative: "I wonder if that young man has a future in agriculture. If we look at the trends of the last 30, 40 years, I doubt it."

Farm Size

Those participants who talked about farm size tended to view growth as inevitable. A Colorado woman farmer and active member of Communicating for Agriculture presented some results of that group's survey of farmers: "Farmers and ranchers said they need to expand the size of their farm operations in the next 5 years in order to continue earning a living as a farmer or rancher. The national average of those responding was 67 percent, saying they need to expand."

From a Farm Bureau spokesman came this viewpoint: "In response to the issue of big versus little farm size, dramatic increase in individual farm acreage has been the direct result of increased technology. With modern equipment and scientific knowledge, today's farmer is able to operate hundreds more acres."

The National Cattlemen's Association representative remarked that in " . . . most other areas, it is fulfillment of the American dream to move upward to a better and more rewarding occupation and higher income. Yet let the farmer add acreage, a larger tractor, more stock, or bigger barn, that not only improves the farmer's lot but gives the consumers a wider choice, better quality and lower priced food and we begin to look for a bogeyman."

Consumers-Nutritionists

Consumers came up for discussion in Denver as did nutritionists. Those who mentioned consumers felt consumers were getting a good deal because of what they described was a "cheap food" policy. Nutritionists were denounced for their dietary recommendations, particularly the advice to eat less red

meat. USDA, similarly, was criticized for what was termed as being too partial to consumers.

Native American and Hispanic Farmers

Several representatives spoke on behalf of those outside the "mainstream" of American agriculture. The tribal chairman of the Hopi said, "I feel somewhat out of place today at this meeting, for the reason that while you are concerned about various technical and economic aspects of the structure of farming, I come from a society that, to a large extent, has not yet had the opportunity to develop to the point where we have become clearly aware of many of the problems of which you speak today."

He described several of his tribe's problems and how they might be solved, and concluded with this suggestion: "What I have had to say today may be redundant, an old story, and perhaps, a simplistic view. I submit, however, that perhaps this country's technological and financial resources could be better expended enabling its native citizens . . . to be contributors to the comfort and well-being of all its citizens, rather than buying disrespect and sometimes hate of other people across the Big Water. We want to be on your team."

The Colorado Migrant Council representative talked about another group of subsistence farmers—Hispanics in the San Luis Valley. "The San Luis Valley has 800,000 acres of land; 600,000 acres are owned by 21 farmers, and 19 of the 21 are from out of State . . . . The original owners of the land have all but been eliminated from participation in their own destiny by bureaucratic and political trade-offs which have the huge corporations' best interests at heart, and . . . we do have abject poverty in the midst of plenty."

Values and Beliefs

Concern for people was also expressed by representatives of the religious community, where comments centered on social and human values. The spokesman for the Wyoming Church Coalition, after reciting a long history of involvement in the church community's concern with rural life, explained that "the central focus of the Church's concern in all this is to insist that the structure of agriculture is more than land and livestock, fields and buildings, crops and markets, taxes and tenure. The basic ingredient in the structure of agriculture is people." He cited these specific positions of the church: "Preservation and strengthening of the family farm as a basic goal of national policy; prohibition of ownership and operation of farms by large nonfarm corporations; respect for land and water rights, especially of minority groups and those guaranteed in native American treaties."

The director of San Luis Valley Christian Community Services added another dimension to the values espoused when he urged pursuing policies that would increase people's self-reliance. "We should not be working with a policy that hinders, but rather one that facilitates long-range maximum feasible self-reliance for food production of people in all parts of the world . . . ," he said. "Many of us see the importance of reducing the concentration of economic and political power on the part of corporate input-providing and output-marketing industries to encourage local self-sufficiency . . . "

And a Roman Catholic priest insisted that values beyond basic economics must be included in agricultural policymaking. "They should include all the issues pertaining to human rights, justice for people," he advised. "I don't have all the answers. I do think, though, and agree with you that we have to look at lots of human values in the political arena . . . "

Family Farms

One of the values mentioned frequently in other meetings was not discussed directly by many participants in Denver—that was the sentiment to protect and preserve the family farm. Some did mention it, like the president of the Rocky Mountain Farmers Union. He urged passage of new farm legislation " . . . with the *primary objective and emphasis on preserving and enhancing family farm and ranch agriculture in this Nation by assuring an equitable income potential . . . .*"

The NFO representative brought it up, also, stating that " . . . the owner-operator should have special attention because we are in danger of losing them at a rapid rate, and as we lose them, the structure changes and these family farms are taken up by large commercial units, or by foreign investment." Strong support also came from the church representatives. One said, "The family farm represents a relatively broad dispersion of ownership, control, and power in a society where concentration of economic power and control has gone much too far."

The few who ventured to define the family farm did not gain a consensus. The president of the New Mexico Farm and Livestock Bureau put it this way: "We can talk all we want about farm size and who produces what and who does it go to, but the defini-

tion of family farm is almost unattainable . . . . We do object to any argument on this subject which categorizes large as being bad and small as being good." The Communicating for Agriculture representative submitted survey responses on the subject which were wide-ranging, but frequently included a standard about a family farm being the acreage necessary to employ a family. She conclude by saying, " . . . we must be recognized as having the right to be small . . . "

Role of Government

Speakers who mentioned the role of Government supported the "free enterprise system," and spoke of its basic right to property as being fundamental. A Farm Bureau representative articulated his organization's position, " . . . the property rights are among the human rights essential to the preservation of individual freedom." In conjunction with free enterprise, many spoke against Government intervention—suggesting less Government generally, but more benign Government when it came to their problem. The priest had this observation: "It's not a question of the Government being in or out, but how they are in, how they are out, (and) who they are in for when they are in."

Other Comments

No one claimed to have all the answers, but many formulated some they thought would help correct problems they know about. Most were in the form of recommendations about what the Government ought to do. Some of these recommendations, not previously mentioned, were: support conservation work with adequate funding; more forest management work; separate the farmer and rural development responsibilities of FmHA; combine Federal jurisdictions on Indian reservations to reduce bureaucratic delays; restructure the Commodity Credit Corporation (CCC) to be more like an export-import bank; balance the Federal budget; continue national support of research projects; encourage more involvement of farmers in agricultural policy development; consider quotas based on bushels rather than normal crop acres; make adjustments in the farmer-held grain reserve; support disaster assistance over an all-risk crop insurance program; modify RARE II to make only the most remote areas into wilderness; provide Government loans to build export facilities; increase local county control through ASCS committees; and, consider user ownership of railroad branch lines, perhaps modeled after rural electric co-ops.

Mailed Comments

Specific recommendations were also featured in the written comments mailed in by interested persons from the Denver-meeting region. Forty-six separate statements were postmarked and entered into the record prior to January 31, 1980. Fully a third came from farmers; six persons specifically identified themselves as members of the academic community within the five States, and a Colorado mayor sent comments. The Chamber of Commerce in one Arizona town convened a meeting of groups interested in the structure issues and forwarded comments reflecting the groups' thinking. The Utah Department of Natural Resources supplied comments, as did a professional from the Colorado Department of Agriculture, a community group concerned with social justice issues, and the secretary-manager of a water conservation district.

Comments were forwarded by the National Cattleman's Association, Colorado Wool Growers, and Colorado Cattle Feeders Association. One writer identified herself as a member of WIFE. There were remarks from a representative of a Kansas grain company, a middleman who was supplementing his oral statement during the open mike session, a woman who identified herself as a consumer and environmentalist, and a man who said he grew up on a small farm but was now in another career.

Government programs were the predominant subject addressed in these mailed comments, many of which included some form of recommendations. Among those not mentioned at the public meeting were the following: enable FmHA to buy land from retiring farmers and sell it to FmHA borrowers at low interest rates; transfer predator control programs from the Interior Department to USDA; find an alternative to using coal tar dyes for the meat inspection stamp; have Production Credit Associations and Federal Land Banks follow the lead of FmHA's limited resource loan program to provide more funds for smaller and beginning operators; have USDA advocate distribution of various Federal benefits on other than population criteria so farmers and other rural people can get a better share; include organic agriculture in Cooperative Extension bulletins; improve Federal marketing order programs, because they are essential; do not use FmHA monies to build motels; and, redirect the current FmHA small farms program, which overemphasizes "hobby farmers."

Other writers repeated or joined in recommendations made earlier.

Many presented detailed anlayses of the various topics of structure. One addressed by more than a third of the writers was the matter of environmental concerns, particularly focusing on water and public land use issues.

Several dealt specifically with these public land issues. The Dean of the College of Forestry and Natural Resources at Colorado State University wrote: "In the Western United States, many ranchers are dependent upon the rangelands of the national forests or of the public domain for some part of their forage requirements." The Mayor of Gunnison, Colo., attested to the practice in his area: "Most of the grazing space which is utilized by the ranchers of the Gunnison Valley is on Federal land."

A Utah State professor who is chairman of the Land Use Committee of the Association of Animal Sciences' western section described the problem this way: "The strong environmentalist groups have a tendency to consider range as being a misused resource and are relatively negative to most of the uses of range . . . . The range users feel that there is a significant danger in the implementation of many of the regulations of (the) National Environmental Policy Act; . . . there is an implied threat in terms of the stability of their operations." Stability was stressed by the interested groups in Willcox, Ariz.: "Insure a continued stable land-lease grazing policy on Federal lands."

The Colorado Wool Growers Association's comments held that "Environmental Impact Statements have been overwhelmingly against livestock grazing on public lands . . . . Many times these studies are formulated, conducted, and tabulated by people lacking knowledge and expertise in this field . . . . The Environmental Impact Statement should be conducted in a more fair and equitable manner for both the government agencies and the livestock producer."

The head of the Range Science Department at Colorado State University suggested that, especially in light of world population trends and energy realities, rangelands were a vastly underrated resource. "Even today when land resources are evaluated for sustenance of a doubled or tripled population, the annual renewable range resource is thought of as an insignificant item to man's habitat requirements or social demands other than for pleasure." His main point was that rational range management was obviously important, that more research into this area was a necessary prerequisite, and that USDA should support the Cooperative Range Research Acts currently being introduced into the legislative process.

Water was another topic which attracted supplemental comments. The Colorado Cattle Feeders Association stated that it "is most interested in protecting (Colorado's) water rights . . . and is opposed to legislation or action which would encroach upon or limit water supplies to agriculture or result in the transfer of agricultural rights to other nonagrarian uses . . . ."

A Wyoming writer echoed these sentiments as they applied to surface water, and went on to make a distinction about how to treat ground water. "Ground water is a totally different problem. Our knowledge of ground water recharge and effects of mass depletion are not fully understood. Without a thorough understanding of this process I don't think we can make intelligent long-range decisions regarding ground water use and conservation," he said. "We can't afford to learn from experience. I think we must impose strict controls on ground water use and development until we are absolutely sure of recharge capabilities." Better knowledge about, and consequently more effective use of, water resources was also the goal of a professional from the Colorado Department of Agriculture, who submitted a proposal about how that might be accomplished.

Two writers specifically supported H.R. 3393, a bill before Congress designed to provide Federal irrigation water to small family farmers. A representative of the Pikes Peak Justice and Peace Commission explained this community organization's rationale for supporting the legislation: "When Federal water projects can make farming possible in arid climates, public policy should encourage efficiency. Every major study in recent years has concluded that 'from the standpoint of efficiency, there is no effective substitute for the small- to medium-sized independent grower who lives on or near his farmlands.' "

Mineral resources and their development were discussed by the Mayor of Crested Butte, who introduced a facet of the topic not mentioned during the public meeting. He supported both recreational and grazing uses, and endorsed the multiple use concept of the Forest Service, but issued the warning about mineral development: "Once minerals have been taken from the Rocky Mountains and other similar lands, the 'multiple use' concept will have been diminished to the 'no further use' concept."

Five of the topics of structure received between six and eight comments from writers:

Production efficiency, size of farms, role of technology: A Wyoming contributor asked, "Why is the

large family farm the villain?" A Colorado WIFE representative said, "Remember the small farmer is the most efficient producer in the country." An Arizona entomologist talked about a graph showing the increasing efficiency of farming operations with an increase of farm size but with an increase of social costs associated with the increase in farm size. He suggested that more emphasis should be given to the social costs in determining optimum farm size."

The representative of a water conservation district, one of the few who tried to represent his organization's position on each of the topics, wrote: "There has been considerable pressure from the Federal level and from uninformed social reformers to restrict the size of farms and the acreages farmed by one individual. Such restriction on the freedom of an individual farmer to develop and expand his operations tends to dull his initiative."

Tax and credit policies: Ajusting inheritance taxes so that farms could be kept in the family was advocated repeatedly. One writer, no longer in farming, suggested that adjustment of the tax laws would have made all the difference in his case: "I would have stayed on the farm if my father could have transferred the farm assets, including land, machinery, and livestock to me tax free."

Marketing systems: One writer said that "the most important function of our Government toward agricultural policy should be to use the USDA to make the proper studies to determine domestic and world market demand for agri-produce, as well as to maintain inventory records on domestic and world supplies."

Present and future energy supplies: Among the written comments which generally echoed those made during the public meeting were two long articles: one reporting on the impact of the energy crisis on the resources supporting the beef industry, and another emphasizing the critical nature of energy shortages.

Returns to farmers: Most comments reiterated the demand for better prices. A Colorado AAM member wrote: "I do not ask for a guaranteed wage. All I ask is when I produce food to feed the world that I can sell it for slightly more than it cost me to raise it."

Other subjects were mentioned by one or two commentors, and generally supported positions which had been expressed at the meeting. In a few cases, writers emphasized issues which had not been widely espoused. For instance, food self-sufficiency was brought up by several persons. A community organization concerned with social justice issues talked about the importance of the small family farm in these terms: "Small farms provide American consumers with the option of greater food self-sufficiency within our local communities." A Denver supporter of H.R. 3393 talked about its benefits, including control over our own food system.

Several writers—like this Utah contributor—addressed themselves to Secretary Bergland's questions about land inflation: "Due to the destruction of our currency by inflation, land is now being used as a commodity and hedge against inflation. If we say land is priced high, the question must be asked 'compared to what?' because high is a relative term. Is it high compared to gold or silver, or medical expenses, or salaries of congressmen, doctors, lawyers, and so on? Is it high compared to the labor and materials in a new home? . . ."

Panelists: Naioma Benson, Sterling, Colo., WIFE member; Lucille Bowman, Ault, Colo., national vice president, WIFE; Donald Dreyer, Dreyer Farm, Brighton, Colo., farmer, member of Farmland Industries; Wayne L. Foster, Denver, Colo., farmer, president, Colorado Wheat Administrative Committee; Knud Fridal, Tremonton, Utah, farmer; Reverend Shirley Greene, Laramie, Wyo., Wyoming Church Coalition Interreligious Task Force on U.S. Food Policy, United Church of Christ; Francis Guthrie, Denver, Colo., master, Colorado Grange; Michael Higbee, Lamar, Colo., farmer, chairman, Colorado Wildlife Conservation Commission; Arturo Jurado, Las Cruces, N. Mex., farmer; Akira Kawanabe, Alamosa, Colo., solar architect; Ron King, Trementon, Utah, National Farmers Organization; Richardo LaForce, Wheat Ridge, Colo., deputy director, Colorado Migrant Council; Peter Martori, Phoenix, Ariz., farmer; Frank E. Paul, Window Rock, Ariz., vice chairman, Navajo Nation; Robert Poitz, Otis, Colo., farmer, legislative committee chairman, Mountain States Beet Growers Association; Keith Propst, Denver, Colo., president, Colorado Farm Bureau; Hub Russell, New Cuyama, Calif., private lands and water usage committee chairman, National Cattlemen's Association; Rudy Rutar, Torrington, Wyo., farmer; Dr. L. Eugene Schroeder, Campo, Colo., Colorado AAM; Abbott Sekaquaptewa, Oraivi, Ariz., chairman, Hopi Tribe; John Stencel, Denver, Colo., president, Rocky Mountain Farmers Union; Julie Sumpter, Kim, Colo., farmer, spokesperson, Communicating for Agriculture.

Open Microphone: Joseph E. Abate, Phoenix, Ariz., legal counsel, Agribusiness Council of Arizona; Don Ament, Iliff, Colo., farmer; Linda L. Baker, Powell, Wyo., farmer; Greg Bamford, Haxtun, Colo., farmer, secretary-treasurer, Trans-county Water, Inc.; Irene Bartels, Simla, Colo., farmer; Bill Bounds, Parker, Colo., farmer; Helen Boyd, Carpenter, Wyo., farmer; Margaret Burnett, Hereford, Colo, farmer, national officer, WIFE; Martin Caldwell, Byers, Colo., farmer; Keller F. Davis, Albuquerque, N. Mex., farmer, northern New Mexico small farmer advisory task force; L. E. "Pete" Davis, Clovix, N. Mex., farmer, president, New Mexico Farm and Livestock Bureau; Ray Durner, Bartley, Nebr., farmer; Jim Fowler, Denver, Colo., Colorado Organic Growers and Marketing Association; David Foy, Otis, Colo., farmer; Marshall L. Frasier, Woodrow, Colo., vice president, Colorado Cattlemen's Association; Wendell Gangwish, Wood River, Nebr., farmer, president, Nebraska Farm Bureau Federation; Janet Goedert, Fort Morgan, Colo.; Fr. Andy Gottschalk, Byers, Colo., pastor, Our Lady of the Plains Roman

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Catholic Church; Karen Shaffer Green, Denver, Colo., Center for Biological Self-Sufficiency; Francis Gregerson, Longmont, Colo., farmer, director, Mountain Empire Dairymen Association; Russell Grider, Melrose, N. Mex., farmer; Toby Grotz, Denver, Col., Colorado Organic Growers & Marketing Association; Don Hawthorne, Lovington, N. Mex., farmer, president, New Mexico Association of Farmer-Elected Committeemen; Helen House, Ralston, Wyo., president, Wyoming WIFE; Betty Hunter, Venango, Nebr., gasohol commodity chairman, Nebraska WIFE; Leighton Kersey, Georgia farmer; Larry Lempka, Berthoud, Colo., farmer, officer, Colorado Association of Future Farmers of America; Margaret Markey, Boulder, Colo., Boulder County Commissioner; Deloyce McKee, Spearville, Kans., farmer; Lloyd Mills, Hoxie, Kans., farmer; Wayne Moore, Gillete, Wyo., farmer; Jack R. Morris, Brush, Colo., farmer; Vivian Norton, Park, Kans.; Bill Page, Denver, Colo., Colorado Grain and Feed Association; David Paulsen, Lakewood, Colo., commodity broker; Bill Prather, DeBeque, Colo., farmer, Colorado Cattlemen's Marketing Association; Horace F. Quick, Niwot, Colo.; Ross Smallcanyon, Cameron, Ariz., Little Colorado Navajo Farm Project; J. J. Tepper, Arvada, Colo., Shoenberg Farms, Inc.; J. D. Terral, Gausey, N. Mex., farmer; Mahlon Tuttle, Quinter, Kans., farmer; Charles William Vest, Deer Trail, Colo., farmer; John M. Wade, Alamosa, Colo., director, San Luis Valley Christian Community Services; Greg Wolfer, Deer Trail, Colo., farmer.

Written Comments: Leo Berger, Longmont, Colo.; David A. Brenn, Sublette, Kans.; Joe Darnall, Wallace, Kans.; L. D. Dirks, Amherst, Colo.; Margaret Eklund, Ryegate, Mont.; Marian J. Epple, Roggen, Colo.; John B. Etchepare, Cheyenne, Wyo.; Jennifer Felzien, Sterling, Colo.; John Fredericks, Halliday, N. Dak.; Patti Haggerty, Shoshoni, Wyo.; David Heck, Granada, Colo.; Lois Herbst, Shoshoni, Wyo.; Charles Hume, Colo.; Ron Ibbetson, Colby, Kans.; J. L. Johnson, Brighton, Colo.; Norman Kramer, Colo.; Twila J. Maxson, Riverton, Wyo.; Raymond Meis, Yuma, Colo.; Bob McClurg, Hudson, Wyo.; Jim McGuire, Aurora, Colo.; Beverly Neal, Wiggins, Colo.; Mike O'Brien, Aurora, Colo.; Nelda Rippe, Roggen, Colo.; Margo Rosenkranz, Fort Collins, Colo.; Leon Silkman, Burlington, Colo.; Shirley Sirios, Roggen, Colo.; Carol Lynn Streamer, Boulder, Colo.; H. E. Stuckenoff, Casper, Wyo.; Patty and Tim Stulp, Yuma, Colo.; William Warren, Denver, Colo.; Bill Watson, Phoenix, Ariz.; Larry Winders, Sterling, Colo.

Mailed Comments: Albert A. Bartlett, Boulder, Colo.; Judy Batorski-Rocco, Colorado Springs, Colo.; Henry Bledsoe, Colo.; Norman Brown, Pierce, Colo.; John Butcher, Logan, Utah; George Butler, Jr., Phoenix, Ariz.; Don Carey, Sterling, Colo.; Lauren Carlson, Denver, Colo.; Roman J. Chavez, Belen, N. Mex.; Ellen Clark, Willcox, Ariz., C. Wayne Cook, Fort Collins, Colo.; Barby Davis, Buckeye, Ariz.; Thorwald Diedrich, Byers, Colo.; William Dinehart, Salt Lake City, Utah; Marshall Frazier, Woodrow, Colo.; Jack D. Gilbertson, Lilt, Colo.; Karen Shaffer Green, Denver, Colo.; Ron Hays, Fort Morgan, Colo.; Jay Hughes, Fort Collins, Colo.; Ronald M. Jones, Pierce, Colo.; Lynette Kemp, Santa Fe, N. Mex.; Jack Kittle, Golden, Colo.; Evan O. Koller, Cornish, Utah; George Lamb, Denver, Colo.; Dwight Malmgren, Manti, Utah; Ron Miles, Holyoke, Colo.; W. Mitchell, Crested Butte, Colo.; Michael Monell, Denver, Colo.; Floyd Morgan, Veteran, Wyo.; Takashi Ogawa, Powell, Wyo.; Joe Overton, Manzanola, Colo.;Susan Peterson, Denver, Colo.; Earl F. Phipps, Loveland, Colo.; Judith and Harold Reynolds, Alamogordo, N. Mex.; A. E. Schafer, Norton, Kans.; J. J. Tepper, Arvada, Colo.; Craig Thomas, Caster, Wyo.; William J. Thomas, Tucson, Ariz.; A. F. Tisone, Boulder, Colo.; Florence Wacker, Colo.; Gerald Ward, Fort Collins, Colo.; Victor Weidmann, Fort Collins, Colo.; Audrey Weiss, Colorado Springs, Colo.; Robert Younger, Keenesburg, Colo.; Marjorie Zavorka, Yoder, Wyo.; Scott Zimmerman, Pine Bluffs, Wyo.

Spokane, Washington
December 12, 1980

(Alaska, Idaho, Montana, Oregon, Washington)

About 700 people attended the eighth structure meeting, chaired by Secretary Bergland in Spokane, Wash., on December 12. Assistant Secretary Rupert Cutler and Washington State Director of Agriculture Robert J. Mickelson joined Secretary Bergland during the day.

Twenty-one individuals spoke as members of the meting's five scheduled panels. They were followed by 37 "open mike" speakers. An additional 27 individuals or groups left written material at the meeting.

Of the 85 who spoke or left written comments, 37 were farmers, apparently representing only themselves. Twenty-one individuals, many of them also farm operators, contributed material in behalf of farm organizations. Others who spoke or left comments included public officials, church representatives, a banker, technology researchers, agricultural land preservationists, two farm managers, Indian spokesmen, and a landscape architect.

More than a third of the farmers providing information did not identify their type of operations. Among those who did mention farm type, diversified operators were the most numerous. Wheat, livestock, fruit, and vegetable producers were among the best represented at the meeting. Producers of forest and dairy products and hops also provided information.

More than half of those contributing came from Washington State. Oregon was the next best represented with 13 individuals speaking or leaving comments. Idaho, Montana, and Alaska each had between five and eight individuals taking part.

Regional Profile

Although Spokane was founded in the 1870's, it was largely destroyed by fire in the 1880's. It subsequently became the commercial center of a rich region called the Inland Empire—an area of lumber, mining, and agricultural production.

Farming in 1977 accounted for 3.3 percent of total personal income in the five States represented at the Spokane meeting. Sales stood at $4.9 billion that year, and rose the following year to $6 billion—more than 5 percent of the national total.

Among agricultural enterprises, cattle predominate in Idaho, Montana, and Oregon; wheat in Washington; nursery products in Alaska. Idaho,

Washington, and Oregon rank first, second, and fifth in the Nation as potato producers; Washington leads the country in apple production; Washington and Oregon are the Nation's foremost producers of softwood timber; and Montana is an important barley State.

Rainfall is scant in parts of the region, and heavy in others. Dryland farming and irrigated are both familiar features.

The Farm Bureau, National Farmers Organization, and National Farmers Union are represented in each of the five States, except Alaska. The Grange has chapters in every State. The American Agriculture Movement is found in Montana, Washington, and Oregon. Several active farm women's groups also flourish.

Organic farming and other alternative forms of agriculture have gained a foothold in the Northwest, though groups representing these interests are relatively few. Concern about environmental issues runs high, and farmland preservation has drawn considerable attention—notably around several of the region's urban centers.

Alaska is unique among the five States. A land of vast distances and rugged wilderness, it is struggling to bring acreage into production, develop its transportation and marketing system, and realize its agricultural potential. While State plans call for the encouragement of large-scale farming, the advantages of small-scale, subsistence units have not escaped attention—especially for Alaska's native citizens, many of whom live on the margin of severe deprivation.

Range of Issues

The issues raised at Spokane ranged widely. No clear favorite emerged. What became apparent, however, was an overriding concern about the basic elements of production—land and water—and about the government's proper role in controlling their availability and use. Land costs, land use, inheritance taxes, water laws, tax loopholes, and Government regulations—no one item in itself dominated at Spokane. But discussion of these and similar topics revealed a strong interest in the most fundamental structural issue of all: the control and use of agriculture's productive resources. Part of the interest stemmed from anxiety about the effects of inflation and price levels on farming's future.

Prices and Costs

Inflation, said and Oregon farmer, is "one of the most cruel things that has come down the pike because our dollars just won't stretch." As if to illustrate, a young farmer with 800 acres and over half a million dollars in debts left a note at the meeting that said, in part: "When the government talks about a 7 percent increase in support price, . . . this in no way keeps up with the double-digit inflation that I'm faced and struggling with."

The opinions of many participants were summed by a panelist from Idaho. "Inflation looms as the single-most important issue," he said, "because of its impact on most of the other issues" affecting agricultural structure.

The Idaho panelist, a potato farmer, and president of the Potato Growers of Idaho cited land prices as one of the production factors most affected by inflation. "The initial response to rapidly appreciating land values was positive, as it provided an unending source of credit—even though production returns were not keeping pace," he said. "However, the rapid increase in interest rates has now left many growers in the equity financing trap, threatening their very survival as they attempt to generate enough capital to survive debt."

Thus, land costs—and factors contributing to price-enhancing land competition—were subjects of major concern to participants at the Spokane meeting. A dryland grain and cattle operator from central Montana touched on several aspects of the land-price spiral: "This ever-increasing demand for land is allowing only large operators to expand, often to a point of inefficiency; is encouraging aliens and wealthy investors to enter agriculture for tax shelter and speculative reasons, and is shutting out small operators and young farmers who could become more efficient through expansion."

Later he added, "The purchase of any land is basically a speculation that past trends of commodity price and land values will continue in the future. However, only those with accumulated wealth can afford to pay present prices."

The speaker proposed several partial remedies for the land inflation problem, among them special tax treatment for retiring farmers selling to beginning operators, credit subsidies to help young farmers meet interest payments, and closing tax loopholes that allow farm losses to be written-off against nonfarm income.

But he maintained that none of these measures would remedy the situation entirely. The only real

solution, he said, is to "come in here with some type of program that actually controls land transition."

From a small-scale operator in Walla Walla, Wash., came a report that he was unable even to rent land. "There just isn't any land for lease for a small operator any more. Only the big can lease or buy," he said.

Yet there are indications that inflation was causing at least a few opertors in the Northwest to think twice before buying more land. The high price of new acreage was acknowledged to boost short-term production costs. And the spokeswoman for a major farm organization said one of the best farmers in her area had "agreed that the more you got today the more you lose." This speaker said of her neighbor, "He said he had cut his acreage from 700-800 acres to 300-400 and it was the only way he was going to stay solvent. We have been educated to think bigger, bigger, and it isn't true." Some of the blame, she said, had to rest with USDA for encouraging farm growth.

Other Entry Barriers

High land costs are one potential barrier facing beginning farmers. Other barriers that received attention at Spokane included inheritance taxes. On this issue, a Washington orchard operator declared, "Our problem is not getting into farming so much, but rather preserving our farm and passing it on to our children and grandchildren." A Montana woman agreed. "We struggle to protect our land for our children only to be faced with the reality that there is little hope of doing so," she said.

Some participants stressed what seemed to them to be the basic unfairness of the tax system. The spokeswoman for an Oregon farm women's group condemned what she called "the widow's tax that the government is waiting to collect from us farming partners when that times comes." A producer with irrigated acreage in the Columbia Basin said "the family works to build up the farm. Gradually their work goes on to the younger generation, until it reaches the point that those that are dying-off have to turn the title over to the other generation. And the family should not be penalized with a tax for the work they've done building up this farm."

A number of people at the meeting believed the Government should provide relief from estate and gift taxes—either reductions in the tax levels, or outright elimination of the tax when land changed hands within the family and remained in agriculture.

Similarly, proposals were made to help beginning farmers get into agriculture. A producer from Homer, Alaska, suggested a homestead loan program and tax incentives to encourage land sales to beginning farmers. A Washington woman, concerned about the effects of inflated land prices, noted that future farmers in her area could not get loans, even from FmHA. "The Farmers Home Administration," she said, "no longer functions as it was originally intended, which was to help people get into farming."

Despite high land costs, inheritance taxes, and credit problems, several participants declared that the beginning operator could still find a place in farming. The message these people brought was that the agricultural ladder remains in place for those skillful and dedicated enough to climb it. As in the past, renters occupied an important rung of the ladder.

Talking about rental opportunities, an orchardist from Washington said renting "gives the young farmer, who's had some experience—he's learned his trade . . . a chance to get into the business and to make it for himself." A cattle operator from central Montana said much the same: "I think if we discourage the idea of the absentee land-owner, we're going to prevent a lot of young people from getting started in the farming business."

An Oregon woman, in written testimony, told how her husband and his brother had built up a substantial operation over the years. They would not have been able to do it without the chance to rent land, she said. "We feel even today, the only way for a young farmer to start farming is to lease ground. . . . My husband and I do not feel it is a bad thing that 40 percent of all farmland today is leased. The availability of leased land is a real boon to the beginning farmer."

But the idea of absentee landlords—of people who did not actually make their living farming the land they owned—led some participants back to a discussion of the tax code. Tax loopholes and tax loss farming attracted criticism. Capital gains laws and tax accounting systems were cited as avenues of easy abuse open to foreign nationals and nonfarm investors. A cautionary note could be heard, however—a realization that legitimate farmers, as well as foreigners and city folk, might benefit from the tax system.

". . . Be real careful when you start looking at these tax breaks," advised a truck farmer from Alaska. "You know, we want to hit the lawyer that bought this farm for a tax break, but . . . I doubt if there's 20 people been in this room today that haven't had to do common labor . . . to save the farm, and some of our wives have had to go back to school

to be school teachers and come home and wash the milking machines."

What he wanted was some fine-tuning: ". . . give the break to the guy that gets his hands dirty." A Washington State women agreed: "Land should be owner-operated and tax breaks and protection given to these owners."

Land prices, inheritance laws, entry barriers, tenancy, and taxes—they overlapped and merged at Spokane. Each speaker revealed an underlying concern about the distribution and control of farmland, who has the land today, who benefits from it, and who will have it tomorrow.

Land Use

Land use policy was another aspect of the same issue. Alaska, with sizable tracts of wilderness slated for Federal protection, was the most affected —and an Alaskan spokeman was the most direct in discussing land use restrictions. Leading off the open mike session, he asked USDA to "help the Feds get their hooks out of our posterial region as far as our land controls are concerned." He added, "we need to have some rules and regulations that will allow us to use some of the graze land, for example, on your antiquities lands. We can run cattle, we can run wildlife right in there together."

A speaker from the Washington Wool Growers Association agreed that the Fedeal Government should allow public lands to be used for more than one purpose. "We have some real concerns about the policies of the Forest Service and the Bureau of Land management," he said. "Their present policy appears to be taking away the multiple use concept, and we're very much against this." He explained why: "We have lots of our people that utilize that (multiple) use as the principle of their operation. . . ."

However, many of the land use matters discussed at Spokane involved local, rather than Federal, decisions. A spokeswoman from King County, Wash., reported on a $50-million bond issue that Seattle-area voters had approved to buy development rights to agricultural land. Preserving farmland was just beginning, she said, "the next steps are to recreate the infrastructure," the system of financing, supply, processing, and marketing services needed to support an agricultural economy.

Other parts of the region were still wrestling with the problem of what, if anything, to do about protecting farmland. "*Farmland must be preserved* at all cost," wrote a hobby farmer from Spokane. But apparently not everyone agreed. A landscape architect said "the preservation of agricultural land doesn't seem to have anything going for it, and citizens who want to preserve it seem to be having an awful tough time doing it."

Role of Government

Economics played a part in the preservation discussions. But beyond that was a question about the Government's right to restrict its citizen's freedoms. A woman from a cattle operation in northern Idaho said, "One of the basic tenets on which America was founded is the ownership of land. When you no longer can use or control the types of uses for your own land, you no longer own it."

Even those who favored incentives to keep land in agriculture appreciated the problem. Responding to questions, a Washington State regligious spokesman and family farmer comments, ". . . in a country of freedom of choice—I would hate to be the one to say, 'No, you can't move in the country.' And, yet, I feel like I should also have the choice of saying, 'I don't want you moving out on this prime agricultural land which should be used for the production of food which will feed the hungry people."

The Government's use of its power to regulate people's actions was a concern. An indication of the issue's sensitivity was the discontent voiced at the meeting about Government regulations:

- "Already erosions have been made into our freedom as farmers; OSHA, wage and price regulations and manipulations, limitations of land-owners size, etc. Yet, it seems *enough* is never *enough*," wrote a Washington farmer.
- "One of our major problems . . . is keeping the crop yields at or above average while meeting the erosion control requirements on the Clean Water Act," declared an Indian representative from Idaho.
- "This seemingly endless stream of changing regulations makes it particularly difficult to stay in legal compliance . . . ," said one farm organization spokesman.
- "On the eve of the National Wool Growers Association's 115th anniversary, the Secretary of the Interior . . . issued a new Federal policy on predator control which would virtually destroy the range sheep industry," a Montana sheep rancher charged.

Some operators clearly felt beseiged by Government rules and restrictions. They said they wanted relief . . . fewer, more reasonable regulations, written by people with an appreciation for the producer's viewpoint.

Land attracted settlers to the Northwest in the 19th century. Some wanted to farm it, others to harvest its timber, still others to graze their stock on the public domain. Government regulations were facts of life in the region from the beginning, since much of the land was under Federal control. A clear message from the Spokane meeting was that land and regulations covering its use continue today to be major issues there.

Water

A significant portion of the region's agriculture depends on irrigation. Thus, water was yet another subject to stir discussion at Spokane. The Reclamation Act of 1902, limiting water from federally aided irrigation projects to owner-operated farms of no more than 160 acres, attracted much comment.

Speaking about hearings that the Interior Department had held on the 1902 law, one woman from an irrigated farm along the Columbia River declared ". . . those officials heard the same story wherever they went in the West—larger ownership, no leasing restrictions and no residency requirements."

Several producers came out strongly against the law. A woman who with her husband operated a 100-acre orchard in Washington's Yakima Valley said in a written statement: "The administration's water policies seem to lack real insight into the importance of water to the western farmer. Such things as the decision to suddenly enforce the 160-acre reclamation law after never having done so was an indication of this lack of understanding."

The spokeswoman for a Washington State women's agricultural group attacked the idea that the 1902 Act amounted to a subsidy to farmers. "Unlike most Federal projects, the principal on the money spent on reclamation projects has to be repaid by the farmers over a 50-year period," she said. "The return from reclamation on income taxes is more than five times greater than what the farmer gets in the way of his so-called subsidy."

Most people addressing the water issue supported these sentiments. Yet opinion about the 1902 legislation was by no means unanimous. A task force from the Seattle Archdiocese called for the law's strict enforcement. A farm organization spokesman protested against "special interests" which, he said, "have been violating the law and milking the public treasury for billions in subsidies at the same time . . ." And an Oregon reporter with 300 acres, part of it irrigated, declared: "The current formula allowing multiples of 160 acres is generous. If it needs adjustment, maybe it should be adjusted downward."

Defining the Family Farm

On another matter, the participants seemed closer to general agreement. That was in their recognition of the need to define several of the terms used in the structure debate. Most who discussed this subject believed the makeup of the farming units in any agricultural system—whether the farms are big or small, family or nonfamily—is a major part of structure. But the words used to describe farm characteristics often mean different things to different people. Family farm definitions vary almost by individual, and and size is always a relative concept . . . what looks big to one person seems small to another.

Participants at Spokane stressed the need to clear up this confusion. A Montana farm wife observed, "there's consideration being given to the idea of restructuring the tax laws to benefit the small farm and to discourage the large farm. Well, we'd better decide who the large farm is before we start restructuring those laws."

Much the same point was made about family farms. "I think the definition of a family farm is very important," said an open mike participant from an irrigated farm in Washington. "How can we come to any consensus if everyone has a different concept of what a family farm is?"

Various participants at Spokane defined a family farm as:

—a place without a hired foreman or manager

—a place with no outside investment

—an operation, run as a business, that provides a family with the major share of an income comparable to what people earn in other parts of the economy

—a business where the family makes the decisions and gets most of its income from farming

—not a part-time farm, but a place the family runs for its livelihood

—a familyowned and operated farm, without regard to size or the number of employees.

The element linking several of these definitions was a belief that family farms, at a minimum, ought to be managed by the family and contribute significantly to its income. Discussions at Spokane made it clear that the commonly used statistical definition—which describes a family operation as any place employing less than 1.5 person-years of hired labor

annually—was far removed from what people in the Northwest had in mind. Few even mentioned this definition. Those who brought it up did so only to dismiss it.

It was equally clear that the small farm definition written into Title XIV of the 1977 Food and Agriculture Act was alien to the thinking of a good many people at Spokane. The 1977 law defined a small farm as any place with gross sales under $20,000 a year. Most such operations are part-time farms. In contrast, a farm organization representative, an advocate of small farm assistance, indicated that what he had in mind were economically viable farms big enough to keep the family busy.

A sheep and cattle operator explained during the open mike session that by small farm, "I don't mean the inefficient farm. I don't mean . . . an urban homesteader and just plain subsidized people who live with two horses and a goat." He was thinking of a place with perhaps $40,000 in sales, possibly producing high quality goods for specialized markets.

But opinions differed. "The man or woman who wishes to be a small part-time farmer must be protected . . . ," a woman from the Spokane area declared in written testimony.

Judging from the participants at the meeting, interest in small scale farm units was strongest among people from Spokane and Alaska. Representatives from a national technological research organization located in Montana also discussed the potential of small-scale agriculture.

Small farms were related to land use concerns around Seattle and Spokane, where the loss of farm to city growth had become an issue. Some who spoke or left comments felt that small-scale operators should be encouraged and protected under these circumstances. But an Oregon farm wife argued strongly from her experience in the Willamette Valley that part-time operators were themselves one of the great causes of farmland loss. ". . . We are losing land through the part-time farmers who are holding acreage just until the price is right to sell, or until they can find the means to develop it," she said. "It is not the 24 percent of America's production farmers who are selling the farmland to be forever to black top and concrete, but rather the other 76 percent," she declared.

The small farm concern in Alaska was a different matter. As described by a panelist from that State, the goal there was to encourage village gardening to supplement native diets in remote areas—places where heating oil cost $3.50 a gallon and the annual unemployment rate stood at 80 percent. People faced with those high costs and limited job opportunities "in the normal course of events . . . started looking for ways to feed their families," the Alaskan speaker said. "Gardening seemed to be the answer." He proposed that USDA provide technical and financial aid, and cooperate in designing programs to meet Alaska's needs.

Farm Size

Participants at the meeting expressed little support for measures specifically intended to limit farm size growth. Said an Oregon wheat producer, "I . . . hope never to see any restrictions on limiting the size of American farms. Size is a function of management and that management capability of coping with the indifference to risk." A panelist from Washington saw the matter in terms of basic rights: "The controversy rages over 'big' versus 'little' without looking at one key underlying principle, the right to own, hold, and operate private property. Any restriction of these rights is a direct attack on individual liberty."

Somewhat of an opposing view on the size issue came from a California editor-publisher, who voiced alarm over "the growing concentrated economic power in our food delivery system," and from an Idaho rancher who asked in writing: "If this trend toward concentration of farm production continues, won't the consumer pay dearly for food in the future due to lack of competition?" The Californian wanted to restructure Federal programs. The rancher, on the other hand, wanted to abolish most of them, thus edging the commercial sector into the free market.

Other Issues

Prices and profits figured prominently in the discussions. Those who addressed the topic generally believed both should be higher. Some also felt that Federal programs had been designed deliberately to hold prices down and keep consumer food costs low. "A cheap food policy exists within our Government," wrote a Washington farmer. "However, we as farmers can no longer continue to sell our products at below cost of production, not and continue to survive."

USDA, in the opinion of many, should be more strictly a farmers' department, and programs administered more rigorously in the farmers' interest. Said the president of the Idaho Potato Growers, "Government programs should be designed to help the producer and not control him. Their sole function should be to assist producers in making a profit."

Others at the meeting recommended cutting imports and increasing exports as ways to increase profits. Some livestock producers objected strongly to Federal nutritional guidelines that recommended reductions in beef consumption, though a dietitian commended USDA's work in this area. Several people proposed that the Government undertake to tell consumers about the realities of modern agriculture.

As one farm wife put it, educate people about "just how cheap their food really is, where the dollar they spend in the grocery store is going, how much is returned to the farmer, how many people make their living from that one product, how farm dollars in agriculture are almost the only stabilizing industry in the U.S., particularly when it comes to exports, how a farmer must be a businessman, that farming is a business and not a social institution, that inflation is creating higher food prices and not vice versa, that big farmers are not bad, just more willing to risk their capital, take more responsibilities, risks, and challenges, that some of us are small, medium-size, incorporated, in partnership, lease land, own land, depending on how we find the best economic way to operate."

The diversity of the States represented at Spokane caused a variety of issues to surface at the meeting. The following were among those discussed:

Transportation: Several people cited this as a particularly pressing concern. An open mike speaker from a diversified farm in the Columbia Basin said, "Transportation is fast becoming a very crucial factor in whether farmers can survive the cost-price squeeze. The skyrocketing cost of fuel, the shortage of rail cars to ship commodities, the abandonment of rail lines in certain areas are all factors contributing to the loss of revenue."

Marketing: Potato growers commented on two specific problems: the limited usefulness to Northwest producers of the New York-based potato futures market; and, the failure of the Agricultural Fair Practices Act to insure the rights of producer organizations to negotiate with processors. Others at the meeting showed interest in farmers' markets and alternative marketing arrangements. At least one person concerned about farmland preservation saw a need for appropriate market outlets to encourage small farmers located close to cities. In addition, a tree farmer said operators in his area needed sales outlets for low-grade wood fiber that could not be used for lumber.

Conservation: Several participants expressed concern about the difficulties of meeting the Clean Water Act's requirements. No-till and mini-till techniques also received comment, and at least one individual recommended changes in the Agricultural Conservation Program (ACP) that would give farmers greater incentives to follow good conservation practices. Some participants at the meeting detected a conflict between conservation goals and farm programs. In the words of one producer, "If conservation farmers are penalized every time a new program . . . comes along by loss of crop historical acreage, then no conservation program will work."

Research: This subject enjoyed general support at Spokane though one operator did point out that, in his opinion, no more production research was needed because supplies already exceed demand "at prices profitable to farmers." Small farm advocates asked for more work on small-scale technologies and marketing arrangements. Agreement seemed nearly universal on the need for energy research.

Values and Beliefs

Beliefs and values played a part in the thinking of the people who spoke or left written material at Spokane.

Some emphasized the American work ethic and free enterprise system, according to which the size of a person's business or farm ought not to be restricted by anything except his own ability. The Oregon wheat farmer, quoted earlier, who said he hoped never to see restrictions placed on farm size, was not alone in his opinion.

The message these people wanted to get across was clear—the less Government, the better for everybody. As a woman declared in written material mailed 2 days after the meeting, "Get the Government out of the farmer's hair and 'structure' will take care of itself."

Said a Washington panelist: "Please recognize that we are proud, independent, a highly specialized group of people looking for neither a free ride getting into farming nor restrictions on our growth once established." Later he added: "The most successful we are, the harder we will work, the more food we will grow, the cheaper it will be for the consumer to purchase."

But others, including farmland preservationists, small farm advocates, and some producers, felt a more active governmental role was necessary. They appeared convinced that agricultural land is too important to society to be left entirely to the disposal of individuals. Their conviction was nurtured, at least partially, by a belief—long held in the U.S.—that the way property is distributed helps decide how personal

opportunities and even political power are parceled out.

A Lutheran spokesman illustrated this viewpoint: "Historically, and I might say biblically, a landed aristocracy has often been a source of injustice, helped to widen the gap between rich and poor, and served as at least an important aspect of causes of social unrest and political instability. There is no reason to think that similar consequences might not be in store for our own nation. Larger and fewer farms would, in my opinion, reduce the responsiveness of the political system to the population as a whole."

According to this conviction, society has a proper interest in farm size and land distribution, and—therefore—in how land is used and conserved. Thus, at least two factions were distinguishable in much of the testimony and written material—one emphasizing the benefits that flow from personal initiative and freedom, and the other stressing society's right—perhaps even its obligation—to influence individual actions.

Mailed Comments

About a third of the 62 mailed comments from this region came from individuals who could be clearly identified as farmers. As was true in the other regions, many people did not specify their jobs, though a number probably were farm operators. Among those who did, diversified grain producers were best represented. Farm sizes appeared to run from 500 acres to over 4,000.

Water issues, especially the 1902 Reclamation Act, received less attention in the written material than at the meeting. Land, on the other hand, was a principal subject in both. The mail revealed a particularly strong interest in inheritance problems.

Several people spoke out against what one woman called "the widow's tax." An Oregon correspondent reported that an analysis of her and her husband's estate showed that if she died first, he would have to pay $4,093—the cost of a funeral. But if he preceded her, she would face a tax bill of $142,437.

Many considered inheritance taxes to be a major obstacle hindering the transfer of farming operations from one generation to the next.

Said a lawyer from Salem, Oreg., whose family had owned the same farm for over a hundred years, "It will be impossible for the next generation to pay the tax from the slim or often nonexistent profits from farming. . . . There is no better way to kill a family farm."

Another correspondent held that inheritance taxes were principal contributors to the trend toward bigger and fewer operations. "State and Federal estate taxes have been main reasons for 'family' farms disappearing into bigger farms next door," she wrote.

The mail brought several responses to a question Secretary Bergland had posed at the meeting: Do children who inherit farms deserve to enjoy an advantage over others who want to get into farming?

"Yes," answered a Washington man, "because farm children usually have to help in the development of the farm and are more likely to take good care of it."

A Montana woman was more specific. ". . . Our children do deserve to have this land more than a newcomer to agriculture," she wrote. "They deserve it because they helped to pay for it just as surely as their father and I have. They paid for it with sweat and blisters, sunburned lips and sore muscles, tears shed over bummer lambs that died, hours spent on a swather or baler, sharing our worry over droughts and blizzards and debts. . . . No one who understands what family farm life really means could ever doubt their right of ownership!"

One writer proposed abolishing the inheritance tax on farmland left to children who continued to work and live on the land. Another recommended giving wives and children credit for the time worked on the farm. Oregon's State Forester, focusing on his special clients, asked for reductions in "Federal estate and gift taxes on woodland owners . . . so the integrity of existing tree farms can be maintained."

Inheritance taxes were the most commonly discussed levy, by a generous margin. But opposition also appeared to other parts of the tax code, especially provisions allowing individuals to use farm losses to offset nonfarm income. In addition, a Pendleton, Oreg., woman criticized her local property tax, three-quarters of which went to support schools, she said. "There is a great to-do in Oregon about relief for homeowners and renters," she wrote. "But the farmer is the one who needs relief. . . ."

Preserving agricultural land also received considerable comment in the mail. Several correspondents emphasized the need to protect producing acres from urban spread. "Many of us hate to see good farmland subdivided, paved over, etc.," wrote a Washington resident. "We feel that there is plenty of unfarmable land for this purpose."

Several who wrote, however, cited the need to continue agricultural activists on land slated for inclusion in parks or wilderness areas. In effect, they

wanted to preserve farmland from the preservationists.

"The greatest imminent threat to agriculture is the reduction of the agriculture land base due to removal for other uses," said the spokesman for an Oregon soil and water conservation district. "Some are necessary for growth and development, we know. But . . . an example of wasted resources is the loss of grazing and/or timberlands due to wilderness set-asides."

Some argued that the Government had failed to give sufficient consideration to multiple use possibilities when designating these lands for public protection.

Recognizing the variety of potential land use problems, a Washington fruit growers' organization asserted that land preservation policies should originate at the local level. "Our problems in the orchard areas of Washington are much different than those of rural areas around metropolitan areas of Seattle and also in other rural areas of the United States," the organization maintained.

Conservation issues attracted nearly as much attention in the mailed material as farmland preservation. Arguments were made that large operators abused the soil; that higher market prices would encourage better conservation practices; and that Federal funding for existing conservation programs should be increased.

Several writers maintained that the current farm program actively discourages conservation practices. The chairman of an Idaho soil and water conservation district said if a conserving farmer "seeded his critically eroding areas to grass, these . . . are not included in his 'normal crop acreage'. . . . If he follows his conservation plan, participation in the ASCS program would force him to leave too much land out of production. Participation would not be economically feasible."

The cost of farm acreage was yet another land-related issue that drew considerable comment in the mail.

A would-be farmer from Bellingham, Wash., claimed that "the initial costs are so high and the returns so little you may be in debt for the rest of your life."

Few seemed to doubt that information and outside investors were main causes of spiraling land costs, and many held that the Federal Government had added considerably to the problem.

"Excessive Government and deficit spending have helped fuel inflation so that land is now a dumping ground for huge amounts of money earned in other endeavors," said a Montana rancher. "It is well understood that land is considered a good hedge against inflation. Add to this the possibility that some of this dumping is brought about by tax situations. . . ."

Land costs were seen as an obstacle confronting people who wanted to get into farming. In the words of one Washington correspondent, "The high prices of farmland and the high inheritance taxes make it more and more difficult for new farmers to enter the market."

For that reason, several who wrote—like some at the meeting—proposed renting as a way for beginning operators to go into farming.

"I . . . get particularly distressed with the emphasis on land ownership that is associated with discussions of programs for beginning farmers," said Idaho's director of agriculture. "I realize that farm ownership is deeply imbedded in our tradition, but unfortunately it often seems that when the emphasis goes so strong to land ownership, we find that the beginning farmers put a heavy portion of their very limited capital into land purchases with the result that they are starved for a working capital. When this happens they are almost doomed to failure."

Well over half of the individuals and groups contributing mailed material commented on one or more of these issues relating to land. But other subjects also received attention. Among them were:

Prices: "Why haven't . . . families been able to farm successfully?" asked an Idaho producer who, though not born or raised on a farm, had built up an 1,840-acre operation during the previous 25 years. "Maybe a few were just too lazy," he said. "Some are destroyed by various disasters, some do mismanage. But most fail because of poor economical returns to agriculture encouraged by the Government since World War II."

Said an Oregon correspondent: "There isn't anything wrong with agriculture or rural America that better prices for agricultural commodities won't cure."

Farm Size: Some favored small farms, arguing variously that small places offer a hedge against fuel shortages, increase people's personal options, and excel at some types of production. Others said political stability depended on increasing the number of small-scale operations.

But others opposed efforts to increase small farm numbers. Wrote one critic: "There exists in America today a vocal and captious intelligentsia of social reformers, environmentalists, and bureaucrats who seek to create a de facto agricultural peasantry in this country, a peasantry that will be lethargic in its

production, unresponsive to market demands, and will forever be dependent upon Government handouts."

Something of a middle ground was occupied by people who favored a mix of farm sizes.

A few writers discussed the relationship between size and technology. "It appears to me," said Idaho's director of agriculture, that "when a small family farmer attempts to buy farm machinery he can only get large equipment, and many pieces of the self-propelled type. Soon he has to buy an adjoining farm to utilize the potential of our modern machinery."

Research: Strong support for production and marketing research was evident from the mail. Several writers called for more attention to small-scale producers' needs.

Marketing: One contributor said the current system worked fairly well, while another proposed national and regional coordinating bodies to reduce producer uncertainty. A third thought small operators needed assistance establishing direct markets. Several writers acknowledged the need for strong, stable international markets.

Family Farms: Specific family farm definitions received less discussion in the mail than at the meeting. But strong support for a family farm system of agriculture was evident. "I sincerely believe that the key to the future of agriculture in this Nation lies with family-owned and family-managed farms," wrote a producer with 500 acres in Washington. "No one else can compete with a viable family farm. . . ."

Panelists: Janet Allison, Zillah, Wash., farmer; Pat Carney, Palmer, Alaska, Alaskan State House of Representatives; Bradley Crumper, Colbert, Wash., Washington Association of Churches, farmer; Albert Deishl, Otis Orchards, Wash., farmer, Northwest Pine Association; Gary Dyer, Brady, Mont., farmer; Jimmie Farmer, Galena, Alaska, Koyukon Development Corp.; Kay Gamache, Toppenish, Wash., Washington Women for the Survival of Agriculture, farmer; Rev. Richard Hermstad, Coeur d'Alene, Idaho, Lutheran pastor; Mrs. Paul Jensen, Silverton, Oreg., Oregon Women for Agriculture, farmer; Al Krebs, San Francisco, Calif.; Agribusiness Accountability Publications, Susanna Merriam, Butte, Mont., National Center for Appropriate Technology; Stephen Naught, Ritzville, Wash., Washington Association of Wheat Growers, farmer; Lynn R. Pope, Klamath Falls, Oreg., Klamath Cattlemen's Association, farmer; Earl Pryor, Condon, Oreg., Oregon Wheat Growers League, farmer; Orissa Schulz, Quincy, Wash., Washington National Farmers Organization; Jack Silvers, Seattle, Wash., master, Washington State Grange; Herb Streuli, Olympia, Wash., president, Washington Farm Bureau; James Taylor, Prosser, Wash., farmer; Ms. Frankie Whitman, Seattle, Wash., King County Office of Agriculture; Dwyte Wilson, Vancouver, Wash., Oregon-Washington Farmers Union; Allan Wood, Blackfoot, Idaho, president, Potato Growers of Idaho.

Open Microphone: David Barr, Coulee Dam, Wash., Colville Tribe; Tommy Corr, Soldotna, Alaska, farmer; Walter DeJong, Monroe, Wash., farmer; Ray Delay, Careywood, Idaho, Idaho Resources Conservation Development Council; Donald G. Druffel, Colton, Wash., farmer; Gaylord Enbom, Yakima, Wash., Washington State Horticultural Association; Ernest Falk, Yakima, Wash., Northwest Horticultural Council; Dorinda Fonda; Rose Harris, Waitsburg, Wash., farmer, president, American National Cowbelles; Anita Hays, Bonners Ferry, Idaho, farmer; Joe T. Helle, Montana farmer, National Wool Growers Association; Edward Johnson, Zillah, Wash., farmer; Waldron Johnson, Yamhill, Oreg., farmer, president, Oregon Farm Bureau Federation; Ms. Keith Kemble, Butte, Mont., National Center for Appropriate Technology; Cliff Kenagy, Corvallis, Oreg., farmer; Nancy Kinder, Warden, Wash., farmer; Jean Krug, Connell, Wash., farmer; Robert Krug, Connell, Wash., farmer; Alex McClean, Mansfield, Wash., farmer, banker; Thomas McCoy, Wasco, Oreg., farmer; H. Pappy Moss, Delta Junction, Alaska, state legislator, farmer; Kenneth Murphy, Royal City, Wash., farmer; Alice Parker, Royal City, Wash., national vice president, WIFE, farmer; Donald E. Peterson, Ione, Oreg., farmer; Chris Reinbold, Spokane, Wash., Spokane County Farm Bureau; Gerald Richardson, president, Washington Wool Growers Association; Peter Roberts, Homer, Alaska, farmer; Monte Shaffer, Washington farmer, Washington State Association of Wheat Growers; Yvonne B. Snider, Lewiston, Mont., farmer; Don Thompson, Sherman County, Oreg., farmer; Lloyd F. Thorson, Spokane County, Wash., landscape architect; Stan Timmerman, Pendleton, Oreg., farmer; Lois S. Tonne, Geraldine, Mont., farmer; Debra Thumser, Spokane, Wash., Washington State Food and Nutrition Council; Liz Van Leeuwen, Halsey, Oreg., Linn County Farm Bureau; Elsie Werth, Grand Ronde, Oreg., farmer; Art Zellmer, Davenport, Wash., farmer.

Written Comments: Mrs. L. J. Allison, farmer; Kenn Barber, Pullman, Wash.; Harold Clinesmith, Benge, Wash.; Arlen D. Davison, Pullman, Wash.; William Depping, Walla Walla, Wash., farmer; Donald M. Didier, Pasco, Wash., farmer; Frank B. Frutchey, Cataldo, Idaho, farmer; Ronald F. Gamache, Toppenish, Wash., farmer; Loren K. Garber, Latah, Wash., farmer; Gary Housen, Pomery, Wash.; Hunger Task Force, Office of Catholic Charities, Archdiocese of Seattle, Seattle, Wash.; Patrick E. Keatts, Tinsed, Idaho, manager, Coeur d'Alene Tribal Farms, Coeur d'Alene Tribes of Idaho; Chris Laney, farmer; Penni Nielsen, Moscow, Idaho, dietetics program, University of Idaho; Ms. Ora Mae Orton, Spokane, Wash., People for the Preservation of Five Mile Prairie; A.C. Perry, Wash., People for the Preservation of Five Mile Prairie; Ruby Ringsdorf, Eugene, Oreg., American Agri-Women; Duane W. Scheele, Fairfield, Wash., farmer; Henry Suess, Colfax, Wash., Whitman County Water Quality Committee; Charles G. Sowder, Coeur d'Alene, Idaho, forester; Doreen Wardenaar, Othello, Wash., farmer; Ray Wardenaar, Othello, Wash., farmer; Leroy E. Warner, Pacific Northwest Pea Growers and Dealers Association; Washington Potato Growers Association, Othello, Wash.; Millie F. Williams, Washington farmer, People for the Preservation of Five Mile Prairie; J. B. Wycks, Corvallis, Oreg., farm manager; Art Zellmer, Davenport, Wash.

Mailed Comments: Robert Bahr, Bahr Ranches, Wilbur, Wash.; Wayne Bath, Pullman, Wash., Extension Service; Jim Bauermeister, Connell, Wash.; Bob Belgard, Carlton, Wash., farmer; Lynn Bodine, Coeur d'Alene, Idaho Kootenai-Shoshone Soil Conservation District; Charles Buttras, Weston, Idaho, farmer; E. Chamberlain, Kendrick, Idaho; John W. Clark, Bellingham, Wash.; Dolly and Lloyd Claymier, Maupin, Oreg.; John L. DeWitt, Waitsburg, Wash.; Bill Dishman, Pingree, Idaho, farmer; Glenn Dobbins, Cheney, Wash., farmer; Donald G. Druffel, Colton, Wash.; Deanne Dyksterhuis, Corvallis, Oreg., Linn-Benton Women for Agriculture; Mr. and Mrs. Marty Eckrem, Bellingham, Wash.; D. J. Ferrel, Ferrel

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Farms, Inc., Walla Walla, Wash.; Fruit Growers League, Medford, Oreg.; George and Helen Gorden, Monmouth, Oreg., farmers; R.W. Gustafson, Conrad, Mont.; Max Hanson, Boise, Idaho, Idaho Department of Agriculture; De Anne Harbaugh, Ravalli County, Mont.; Bill Harris, Yakima, Wash., manager, Hop Growers of Washington; Mrs. R. L. Harris, Pendleton, Oreg., farmer; Robert Hattrup, Moxee City, Wash., farmer; Lee Hawley, Moscow, Idaho, Latah Soil and Water Conservation District; Anita Hays, Bonners Ferry, Idaho, farmer; Philip Hennessey, Everett, Wash.; Cesar Hernandez, Noxon, Mont.; Paul N. Hinderer, Waterville, Wash., South Douglas Conservation District; Janice Hoglan, Boring, Oreg., farmer; Joseph C. Horvath, Missoula, Mont., Ecko-Kompost, Inc.; William G. Huber, Pullman, Wash., College of Veterinary Medicine, Washington State University; Barbara Jones, McMinnville, Oreg., farmer; Diane M. Jones, Boise, Idaho, Idaho Citizens Coalition; Ms. Keith Kemble, Butte, Mont., National Center for Appropriate Technology; Wes Lilly, Pendleton, Oreg.; C. Neil McArthur, Homer, Alaska, Four-In-The-Morning Farm; James V. Moloney, Moxee City, Wash.; Sylvester Murphy, Missoula, Mont., farmer; Terry Murphy, Great Falls, Mont., Montana Farmers Union; Oscar O. Pederson, Great Falls, Mont.; Ora Mae Orton, Spokane, Wash., People for the Preservation and Development of Five Mile Prairie; George P. Raths, Roundup, Mont., farmer; Ronald P. Reimann, Pasco, Wash., T & R Farms, Inc.; Dixie L. Riddle, Mead, Wash.; Jean Schilling, Lyle, Wash., farmer; J. E. Schroeder, Salem, Oreg., Oregon State Forester; W. Greig Smith, Pullman, Wash., Washington State University; Yvonne B. Snider, Lewistown, Mont., farmer; R. Randal Son, Walla Walla, Wash., Washington Small Farm Resources Network; Harlin Steiger, Miles City, Mont., Federal Land Bank Association of Miles City; Gary Straham, Gold Beach, Oreg., Curry Soil and Water Conservation District; Gordon Tate, Coeur d'Alene, Idaho, farmer; Eugene D. Walters, Pasco, Wash., farmer; Washington Growers Clearing House Association, Inc., Wenatchee, Wash.; Marion T. Weatherford, Arlington, Oreg.; Elsie F. Werth, Grand Rone, Oreg., farmer; Western Farmers Association, Seattle, Wash.; Isabelle Van Nice Winship, Warden, Wash.; Jacob K. Wollman, Warden, Wash., farmer; Allan Wood, Blackfoot, Idaho, Potato Growers of Idaho; Catherine Zorn, Salem, Oreg.

Fresno, California
December 13, 1979

(California, Hawaii, Nevada)

Fresno, a city of some 165,000 people, is the "agricultural capital" of California's San Joaquin Valley—one of the most productive agricultural regions in the world. On December 13, between 600 and 700 people joined Secretary Bob Bergland, Assistant Secretary Joan Wallace, and Director of California's Department of Food and Agriculture Richard Rominger at Fresno's Hacienda Inn for the ninth day-long hearing on the structure and future of American agriculture.

Sixty individuals representing a wide range of viewpoints offered oral testimony and suggestions during the hearing.

The 23 scheduled panelists at this meeting included representatives of the major farm organizations, various kinds of California farmers, whose farm size ranged from vineyards of 40 acres to operations of 1,000 acres or more; a Nevada rancher, 2 consumer organizations; a representative of the United Farmworkers; agricultural cooperatives; Chicano farmers; California Women for Agriculture; National Land for People, a nonprofit family farm advocacy group; a representative of the Environmental Forum of Marin County, California; a Wells Fargo banker; fruit growers, vegetable producers, and shipping interests.

During the open mike period, sheep producers; rural legal assistance groups; a chemist; alternate energy advocates; a raisin producer; a spokesperson for the California League of Women Voters; a rice farmer; and individuals interested in taxes, the marketing of cotton, Chicano education, social problems, and water conservation were among those who offered statements. Still others submitted written comments and prepared materials of one kind or another during and after the hearing.

While the Fresno meeting sought the views and opinions of those from California, Hawaii, and Nevada, the overwhelming number came from California.

Regional Profile

Perhaps no other State in the Nation embodies the image of an overflowing cornucopia more than does the State of California. Its farms and ranches produce nearly 250 different kinds of commercial crops and farm commoditites, and supplies about 25 percent of the Nation's table food. The State ranks first in the Nation in the production of 46 kinds of crops and livestock, and is second nationally in the production of 15 other commodities. The vegetable output from California farms is worth three times that of any other State in the United States.

At the heart of California's agriculture are the Central and Imperial Valleys, which together account for much of the State's—and a good share of the Nation's—agricultural production. The San Joaquin Valley, for example, covers the southern portion of the Central Valley, and produces 90 percent of California's cotton, as well as a wide variety of fruits, vegetables, nuts, and other staples.

Fresno County is one of six predominantly agricultural counties which encompass the irrigated farms and fields of the San Joaquin Valley. Farmers in Fresno County have led the Nation in annual farm

receipts for 26 consecutive years. In 1979, farmers there grossed $1.24 billion, and produced more agricultural products than some entire States.

The Farm Bureau is the only general farm organization represented in all three States. The Grange is in California and Nevada, and the National Farmers Organization (NFO) and American Agriculture Movement (AAM) are in California. The National Farmers Union is not represented by a State organization in the three States. Farmwomen's organizations, such as the American Agri-Women and the Cowbelles, are active in the region.

There are also many active reform and citizen advocacy groups, most of them based in California. These include the United Farmworkers, headquartered in Keene, Calif.; California Agrarian Action Project at Davis; California Institute for Rural Studies, based at Davis; California Rural Legal Assistance; Central Coast Counties Development Corporation; Cooperativa Central of Salinas, Calif.; Earthwork, based in San Francisco; Farralones Institute of Occidental, Calif.; Institute for Food and Development Policy, also based in San Francisco; and the National Land for People of Fresno.

California is home to some of the largest farmer cooperatives in the Nation—co-ops dealing in citrus, vegetables, cotton, dairy products, fruits, nuts, and other perishable and nonperishable commodities. Two of the 25 largest and 5 of the 50 largest cooperatives in the country are headquartered in California. Though none are among the Nation's top 10, the region's leaders are Sunkist Growers, Inc., at Van Nuys, ranked 11th nationally; California and Hawaiian Sugar Refining Corporation, San Francisco; California Beet Growers Association, Stockton; California Canners and Growers, San Francisco, and Calcot, Ltd., Bakersfield.

These farmer-owned cooperatives compete with the largest marketing corporations in the Nation, and some have a healthy share of the export market in certain commodities. California co-ops lead all other co-ops nationally in annual dollar volume.

The California co-ops are generally comprised of numerous small farmers, frequently engaged in growing one or more specialty crops on small acreages. For example, the California Almond Growers Exchange, operating out of Fresno, is comprised of 4,000 almond growers whose average farm size is about 40 acres. The member-growers of Sun Maid, the Nation's largest raisin cooperative, have an average farm size of 37.5 acres.

Major Issues

The uniqueness of California's agriculture came up often during the Fresno meeting. Farmers, shippers, and State officials all underscored the special circumstances of their production: the wide range of commodities, the importance of water and water projects, the opportunity provided to make a living on 40 acres of wine grapes or other high-valued specialty crops, and the increasingly important outlets in overseas markets. This uniqueness also apparently contributed to a feeling among several speakers that California's agriculture was not fully understood "back East", and that the Federal Government was part of the problem. Californians did not want to be cast in a mold of the "midwestern norm", as one person put it.

Major topics of discussion at Fresno included marketing, energy, water, farm size, labor, entry into agriculture, taxation, capital and credit, land, the environment, and the role of Government. While these same general topics were discussed at various other regional meetings—probably because of California's unique status—the participants at Fresno framed these issues quite differently.

Marketing and Transportation

Marketing and transportation issues were brought up more frequently than any other subject. "Marketing is an integral part of agricultural production, and should be viewed as part of the overall food delivery system," said one farmer. "It does a farmer little good to produce what he cannot sell at a reasonable profit."

California growers and shippers were particularly concerned about market access. California's unique position as an exporter of agricultural produce—much of it perishable—brought out a feeling of vulnerability among some growers and shippers. They were concerned that energy and transportation problems might stifle the flow of their perishable commodities to distant markets, particularly those on the east coast and those abroad.

This "access-to-market" theme also was strong among independent farmers who wanted access to marketing co-ops and national markets—as well as among those who wanted direct access to local markets.

Agriculture is California's most lucrative export business. California cotton producers, for example, market 70 percent of their cotton overseas. Half of the State's almond production is exported to foreign

markets, and even California wheat is sold abroad to buyers in Japan and elsewhere.

Several speakers were dissatisfied with Government trade policies. "This country's foreign policy . . .," said a representative of the California Cattlemen's Association, "has too often sold American agriculture down the river by granting tremendous concessions to foreign agricultural imports while permitting . . . restrictive sanctions against our agricultural exports." To improve our trade picture, one witness called for "OPEC-like agreements in the basic commodities" such as wheat.

A few witnesses recommended more emphasis on marketing farm products directly to consumers. A small fruit and vegetable grower from Sacramento outlined a series of problems he said made it difficult for him as a direct marketer, including lack of a product grade he could use for selling fruits and vegetables directly to consumers for home processing, a Federal stipulation restricting packaging and selling of fruit only to near where it is grown, lack of representation of direct-marketing growers on the State fruit boards and farm committees, and a requirement that one farmer can sell or handle produce only for himself and two others at any given time.

Transportation is a crucial part of the Nation's agricultural marketing system. California is particularly vulnerable because of the distances the State's farm products must travel to most markets. "We stand at the beginning of a very long distribution chain that is extremely vulnerable to transportation costs," said a California who farms a 60-acre vineyard. According to another California grower, agriculture " . . . will face a difficult challenge in the area of transportation. Energy shortages are threatening to put a stranglehold on our economy, and more efficient transportation methods must be explored and implemented.

Cooperatives

Closely related to marketing is the subject of cooperatives. Farmer-owned as well as consumer-owned cooperatives were criticized, praised, and defended. Co-ops were seen as both limiting and creating opportunities for farmers and consumers. Some farmers viewed co-ops as generally providing access to markets they would otherwise not have as individuals. Consumers—some of whom expressed skepticism of the growing size and market influence of some co-ops—looked upon co-ops as vehicles for more competition, wider choice, and lower prices.

Cooperative marketing, processing, and even production were supported by a long line of farmers, farm organizations, and co-op managers. The California Farm Bureau president said "you've got to have cooperatives," and a system that allows a group of growers to hire marketing expertise "to put that product on the market where they cannot do it individually." He explained that a cooperative system "gives people of smaller size an opportunity of using their resources, their expertise, the money that they have" in a collective fashion, without getting directly involved as individuals in day-to-say marketing operations.

An almond grower and director of the California Almond Growers Exchange said: "Strong agricultural co-ops also help keep farms in the hands of family farmers who contribute to food production, who contribute to conservation of natural resources, and the strengthening of rural communities."

The Capper-Volstead Act of 1922 enables farmers to market their products collectively through cooperatives, thus giving them a stronger measure of bargaining clout. The California representative of the NFO explained that modern-day market forces, economic concentration, and the operation of large multinational corporations made both the Capper-Volstead Act and the right to collective bargaining essential as he described the farmer's situation: "It used to be that farmers basically sold their products to local buyers, such as local flour mills, slaughter houses and produce markets, and could be more effective in bargaining with them. Today, the large multinational corporations buy in almost every agricultural area and can out-wait any individual farmer when he goes to sell. This lack of bargaining power cannot be corrected by research, advertising, commodity checkoffs, lobbying, or commodity futures markets. It can only be corrected by farmers themselves getting involved in the bargaining process and the uniting of production through collective bargaining."

A San Francisco-based representative of the Consumers Union alleged that price enhancement effects of agricultural co-ops, marketing orders, price supports, and import restrictions have all been "well documented." He urged USDA to "implement Executive Order 12044 immediately" and begin reviewing these marketing operations, and to "explore alternatives to maintaining stable markets and fair returns to farmers." He also urged the Secretary to "provide consumers with the same standard that agribusiness has" in reviewing the Department's regulations.

A California farmer and president of the Agricultural Council of California, representing some 60 farmer-owned cooperatives in the State, said he wasn't worried about four or five big co-ops controlling the market because co-op members were not "tied down to a lifetime or 10-year contract." He said "farmer-members" look for their best marketing opportunity, and would keep the co-op competitive or go elsewhere. He also questioned why the Federal Trade Commission and Justice Department "have come down on cooperatives" for alleged antitrust activities, while—he claimed—"ignoring takeovers in the food industry by large multinational corporations whose primary interests are not even in the food business."

That cooperatives could still play a vital role for new entrants and small farmers was underscored by a Chicano agronomist from Fresno who argued that USDA, the University of California Cooperative Extension Serivce, and Banks for Cooperatives should all be helping limited resource Hispanic farmers form new cooperatives.

Energy

Energy was a prime concern among Fresno participants—though not as much from the standpoint of farm production as at other regional meetings, but more because of its impact on marketing. California's growers, processors, and shippers saw rising energy costs undercutting their competitive position as domestic marketers. A representative for Tri-Valley Growers Association—California's largest fruit and vegetable processing cooperative—described the situation facing west coast growers and shippers this way: "Our farms are separated by a continent's width from the major population centers in the northeastern sector of the United States . . . As the energy shortage grows, our vulnerability to (transportation) costs will become more and more pronounced. We are also vulnerable to foreign competition in both domestic and overseas markets."

Rising fuel and transportation costs in trucking produce from California to eastern markets is forcing more growers to think about shipping by rail, according to several speakers. However, while moving commodities by rail is a more energy-efficient means of transportation, rail service to the east coast is not fast enough to attract some western growers.

The representative of the Western Growers Association—whose members produce over half of the fresh vegetables consumed in the United States—said a four-to-six-day schedule to the east coast was needed rather than the eight-to-twelve-day schedules that have been the case in recent years.

He also expressed a willingness to allow some western railroads to merge with, or acquire, some of the eastern routes in order to have "some straight shots back to the east coast and the South" so that produce could be marketed there "in a timely and more efficient and more reasonable manner."

Also related to energy, some California growers and marketers expressed fears at the prospect of oil and gas trade deals with Mexico, which could cause the United States to relax import quotas and allow cheaper Mexican foodstuffs into their markets. A vegetable grower from California's Salinas Valley worried about "our fruits and vegetables" being "sacrificed on the altar of Mexican gas and oil," noting that "unilateral lowering of import tariffs can affect our access to the marketplace."

The Western Growers Association representative warned of "devastating" results should the Government allow commodities from neighboring countries to enter the United States "in an effort to secure future energy supplies. Farming operations in our country could be forced out of business or into noncompetitive crops," he claimed. "Eventually our food producing capabilities would be damaged, leaving us dependent upon foreign countries for food, as we now are for oil."

Some farmers viewed the rising cost of energy as a penalty on their operations, claiming that their energy costs increased as much as 40 percent in the last 15 months. An open mike speaker from Yuba City, Calif., said, "if the energy costs keep going up, namely the cost of diesel fuel, at the rate they have this past year, another year of it with the increases coming at the same level and the same rate, a good many farmers are not going to be farming."

One individual from San Francisco submitted a written statement suggesting that "USDA should recognize the fact of coming fuel shortages and develop policies that will ease the transition to systems able to operate without the energy-intensive practices now dominating agriculture."

A representative of Proteus Adult Training, of Fresno, viewed the changing configuration in the energy field and the development of alternative technologies as an employment opportunity for farmworkers who are often pushed out of jobs through energy-intensive agricultural mechanization.

"Farmworkers are usually the victims of technological change and farming methodology," he said, "mechanized out of the traditional jobs for which they have been trained. We will be able to ensure

that our clients get some . . . of those jobs that are coming both in the production of new energy processes, that is, alcohol, methane, solar, cogeneration, and in the new conversion and conservation programs, such as drip irrigation, insulation, passive solar construction, and solar retrofits."

Water

Perhaps no other issue was more important, more symbolic of California's uniqueness, or more on the minds of those participating at Fresno than that of water. Since 1870, over eight million acres of California land have been developed for irrigated agriculture. Water in California is inextricably linked to the success of agriculture, and, therefore is a major factor of farm size and farm wealth.

Based on the conflicting views expressed at this meeting, nothing may propel California more to the forefront of the debate on agricultural structure than the Reclamation Act of 1902—a federally administered law which has been variously enforced and is currently the subject of pending congressional action. The key structural issues of water, land, and farmer access are all entangled in the controversy over this act.

In some sections of California, much of the water used for agriculture is metered out according to the stipulations of the Reclamation Act. The key provisions limit the delivery of water from federally funded projects to farms of 160 acres of owned land per individual, or 640 acres per farm, with no limit on the amount of leased acreage. In practice, however, much larger farms have received this water.

At Fresno, the frustrations over the present administration of the Act were expressed both by those who have supported the liberal policies of the past, as well as those favoring tighter enforcement of the 160-acre limit.

Some felt the idea of the 160-acre farm is anachronistic. For example, a member of the Western Growers Association from Los Banos, Calif.—who expressed the hope that the Nation's productive ability would not be legislated out of existence "to satisfy some nostalgic urge"—suggested these changes in the Reclamation Act as it pertains to the delivery of water from federally funded projects for use in agriculture: ". . . an exemption (from the acreage limitation) for the Imperial Valley District of California in accordance with earlier promises and the practice of 30 years; . . . eliminate residence requirements (for farmers) which prevent year-round production in many cases; . . . allow leasing of farmland without restriction; . . . provide continued application of acreage limitations on an individual basis; . . . validate existing contracts and commitments made by the Federal Government; and, . . . remove ownership and use restrictions on properties in a district where the Federal Government costs for construction (of the water supply source) have been repaid."

Echoing to some degree the Western Growers' views on water, a representative of California Women for Agriculture also opposed any residency requirements applied to benefits received from Federal reclamation projects. "Since unlimited leasing is not restricted in any other business," she said, "ownership and productive use of agricultural land need not be with the same part. Agricultural landowners need the flexibility to manage their land as their expertise guides them. A residency requirement for agriculture is archaic, just as it would be for any other business," she said.

The president of the California Westside Farmers in the Westlands Water District argued that the acreage limitation and excess land provisions of the Reclamation Act "have been applied and enforced" in the San Joaquin Valley. He claimed that since 1968—due to the sale of excess lands in parcels of 160-acres or less—the average size of farm operations in Westlands "has been cut almost in half, from 4,600 acres to about 2,400 acres," and that in the next few years further such sales would reduce the average farm size there to about 1,200 acres. He added that, "while we strongly oppose a limitation on farm size, we would not oppose a limitation on the amount of subsidy to any single water user."

A Bank of America officer said present attempts to change administration of the Reclamation Act are indications of the "evident failure of Government to live up to contracts."

The other side of the water issue was also advocated. A correspondent from Cutler, Calif., wrote that the Reclamation Act and Federal water subsidy were established "for the purpose of placing entrepreneurs, genuine family farmers in private operation," and the the law intended to limit the amount of water allotted to each farm family—that is, enough to irrigate 160 acres. Since 1902, she charged, "greedy farmers have accumulated far beyond the limitation by circumventing the law." She said "huge absentee owners of enormous acreages" and "foreign corporations" who receive water beyond the limitation make it difficult for family farmers to establish themselves on reclamation lands.

Gaining title to farmland under the provision of the Reclamation Law was exactly what several small

farmers and farmworkers had in mind. "I want the (Reclamation) law enforced," said a Mexican-American woman from Fresno, who has been farming with four other families on 40 acres. As she described it: "I would like to see that land (excess lands under the Reclamation Act) sold through a lottery to assure me and the other people who want to become farmers that they will be given an opportunity at buying some of this land (in the Westlands Water District of the San Joaquin Valley). . . . We are asking help from everybody, to help us set up some kind of law that will sell this land in parcels of 20 to 460 acres. We're not asking for 160. We're asking for a family to be able to own up to—well, say 940 or whatever, but no more than that. Because you don't need that much land. We're not land speculators, we want to be farmers. . . . In the Westlands District, it doesn't take very much land to be a farmer. I hear people calling themselves farmers. They own 11,000 acres and lease 17,000. It's not the land that they're after. It's not the farming that they're after. They're after the water subsidy."

The President of National Land for People, who raises grapes on 160 acres at Sanfer, Calif., also advocated changing the Reclamation Act to enlarge farming opportunities and maximizing the number of people involved in family farm agriculture. "It is . . . important that the production of food be in the hands of as many people as possible," he said. "This does not imply, as some would have you believe," he continued, "that we must develop a factory farm system, but rather that we save and enlarge the family farm system which would be far more competitive due to its numbers."

Size of Operations

Debate over the Reclamation Act in many instances included references to farm size. Some felt that size should not be limited. For example, a Wells Fargo banker from Danville, Calif., said he believed the legislative proposal for reforming the Reclamation Act "boils down to an attempt on the part of Government to regulate size of (farm) operations."

He believed that such "land reform," as he put it, would "restrict everyone's credit," not only credit-risky farmers. In his opinion, "collateral in farm real estate doesn't repay loans, it's cash flow that repays loans." Cash flow was directly related to efficiency and management, he said, and some efficiencies for some operations in some locations meant larger farms, which could not abide by an acreage limitation.

A different perspective came from the president of the California Consumer Cooperative Federation, who said that 60 percent of all California and Arizona lettuce production is now grown by six producers, and that with greater mechanization, more small lettuce growers would be squeezed out. She asked, "what if, like the supermarket chains in the inner city (which they abandoned), these large growers economically decide that it is no longer as profitable to grow lettuce or some other crop, and there are no small farmers to take up the slack?"

A representative of the Fresno League of Women Voters called for "deliberate policies to encourage diversity of both farm size and crop patterns" in the San Joaquin Valley. "It is a mistake," she said, "to encourage only those crops guaranteed to bring a large profit, only those operations that are of such size that they can take advantage of every economy of scale. This decreases diversity of crops, employment, and legitimate family farms."

Labor Issues

Farm labor issues have been a controversy in California for many years, according to several speakers. Both sides of the labor debate spoke at the Fresno meeting. A farmworkers' advocate said, "historically the USDA has not taken labor's needs or concerns into consideration." Opposite points of view urged, for example, that the farm labor contractor registration be amended to exempt farmers.

Most labor-related comments dealt with the issue of job displacement due to mechanized harvesting. One group viewed mechanization as a boon to agricultural productivity and an essential ingredient to expansion and efficiency in agriculture. They reasoned that fewer farmers could do more with sophisticated machinery.

On the other hand, small farmers and farmworkers viewed increasing mechanization as a tool used to displace farmworkers and foreclose small farming opportunities, contributing to further concentration and control of food production.

A panelist representing California Women for Agriculture, who farms 90 acres of raisins and alfalfa, felt technology was a factor in production efficiency. Agriculture "must not be singled out in the use or size of technology or methods of production," she said. "Technology should be utilized to the fullest."

Speaking during the open mike period, an attorney from Delano representing California Rural Legal Assistance stated: "In reaction to the success of

Cesar Chavez and the United Farm Workers (UFW), growers are mechanizing the crops which have historically employed the most farmworkers." Citing a study recently completed for the Department of Labor, he said "mechanization research will result in the elimination of at least 128,000 jobs in the next 10 years."

Differing sharply with this view was a farmer from Chular, Calif., who claimed that mechanization actually creates jobs and upward mobility. "Our California canning tomato industry would be gone now without mechanical harvesters. This machine saved jobs for farmworkers, truckers, processing plant workers, and a host of others," he said. "In addition, it eliminated one of the most back-breaking jobs on the farm. Workers now ride, standing up, on the machines. In fact, the machine enabled the industry to expand into areas that lacked adequate labor supplies. This extended the canning season, creating more employment. . . . The real thrust for stopping mechanization comes from the union leaders, not the workers. The unions benefit by having the largest possible membership of low income workers. . . . It is a historical fact that improved technology accelerates the upward mobility of the workforce."

Barriers to Entry

The difficulty of starting out in agriculture was a major concern to several witnesses. A young farmer who manages 1,000 acres of grapes in Madera County, Calif., and has been involved in agriculture for 6 years, described the difficulty in acquiring financing for land. He took issue with an earlier speaker who said young people could get into farming by doing custom work or through becoming pest control advisors.

"I think you're just tossing us bones when you say, 'you can be a farmer by being a pest control advisor,' or 'you can be a farmer by buying a tractor and disking somebody else's land,'" he said. "I've tried to go into land management. I've managed 240 acres of figs up in the Chowchilla area, which is owned by . . . a doctor and a lawyer who went to some conventional system and got financing. But yet I'm not considered a farmer."

For Mexican-Americans, the problem had broader implications. According to a young Chicano who graduated in agriculture from a California college, "Spanish-speaking people see agriculture as something they want to get out of because they've been toiling in the field." He said these experiences as farmworkers or as children of poor farmers are "not too positive" and, along with the lack of educational opportunities, Mexican-Americans are anxious to leave agriculture. Even so, he said, "I think they can make the best agricultural college graduates because they have lived in the fields, they have worked in the fields, and they know the land." He asked USDA to do more through 4-H, FFA, and the land-grant universities to encourage Spanish-speaking students to pursue agricultural educations and careers.

An agricultural marketing professor from California Polytechnic State University at San Luis Obispo said young people would be increasingly reluctant to go into production agriculture as a profession as long as the income potential there was below that available in other nonagricultural pursuits. "They can read the balance sheets on farms, too," he said.

A representative of the Western Dairymen's Association proposed that older farmers extend credit to young people interested in farming, but that a revision of the capital gains tax might be needed to help that kind of financing get started.

Taxation and Credit

A barrier to both entry into and exit from agriculture, according to some, is the tax system—particularly the inheritance taxes on farmers' estates. "The structure in inheritance tax should be changed to protect the family farm," said a California dairy farmer. For a young man starting off today without any collateral or anything, it's almost impossible, unless it's handed to him."

Inheritance taxes often force the sale of substantial portions of an estate, according to a representative of the California Cattlemen's Association. ". . . Our inheritance tax laws, which are nothing more than double taxation, . . . make it virtually impossible for farmers and ranchers to pass on a productive farming operation to their heirs."

One recommendation was that the estate tax system be reformed to take into account inflation in land values.

Other tax issues mentioned at the meeting included:

- The subsidy given to the nonfarm sector by property taxes on farmland.

• The need for tax credits to encourage farmers to adopt conservation practices.

• Using government tax and credit policies to encourage farmers to buy land.

• The tax advantages nonfarm corporations gains over family farmers from investments in agriculture

• Taxing foreign investments in United States farmland the same as all other farmland, to assure no competitive advantage for foreign investors.

Another major problem—for both beginning and established farmers—is the high cost or practical impossibility of securing capital. Several capital and credit issues were raised and recommendations made.

A California banker noted that since 1960, Farm Credit Administration lending in the United States expanded 88 percent, while commercial bank lending for agriculture only increased by 4 percent. He asked for operating rules for commercial agricultural banks comparable to those of the Farm Credit Administration.

A spokesman for the Bank of America criticized abrupt changes in the Farmers Home Administration disaster loan programs, as evidence of Government's failure to abide by its own contracts. On the opposite side of the issue, a Salinas Valley vegetable farmer said that disaster loans ". . . should be available only to the new entrant to farming who had a bad year before becoming well established."

The legislative director of the California State Grange called for ". . . a reestablishment of the traditional roles of the FmHA and the Small Business Administration (SBA) as providers of credit to economically disadvantaged family farmers. Unfair competition has developed for family farmers through the efforts of the SBA," he said.

A young California farmer advocated "a new loan program involving FmHA and traditional lending sources to make low interest loans available to young farmers. I envision a program which would allow the young farmer to make small annual payments the first 3 to 5 years, then increasing to full amortization in subsequent years . . . I also propose that a group of young farmers be invited to participate in formation of such a program."

Land

Loss of prime farmland was the most frequentiy mentioned land use issue discussed at Fresno. USDA was urged by one witness to assign "a very high priority to agricultural land preservation." Several other witnesses expressed concern over the loss of agricultural land to urbanization and "hobby farmers."

The California League of Women Voters spokeswoman said "land is a finite resource, not just a commodity, and . . . inplies the responsibilities of stewardship." Referring to a point raised by the Agricultural Issues Task Force at the University of California in 1978, she asked: "Should farmland be mandated for farming and held in readiness for food production even though greater economic returns are available in other uses?" Her answer, in part, was that "legislation to preserve agricultural land should include a definition of land subject to restriction that is largely limited to those lands which require the least water, chemicals, and energy to produce the maximum food and fiber crops."

The wife of a Marin County, Calif., dairyman, who was representing two local environmental groups, spoke about the plight of "rolling coastal pastures" and "prime grazing lands." She attributed their success in protecting these farmlands from urban development spreading north of the Golden Gate Bridge to a combination of a local public relations program touting agriculture; local zoning (one house per 60 acres); local taxpayer interest and support for agriculture, and a workable coalition of environmentalists, farmers, and local officials.

She advocated that, "if we want to save our food producing lands, we'll need to set aside exclusive agricultural zones." She supported land trusts, purchase of development rights, and zoning changes at the local level to preserve farmland, but said "the Federal Government must do its part."

Some witnesses argued that it was a public responsibility to protect and preserve agricultural land and agricultural productivity. Others saw that argument as another ploy for more regulation and Government control.

In written comments submitted for the record, a "concerned California farm wife" from Dos Palos wrote, "developed farmland is not and never has been public domain. The idea that agriculture should be regulated, structured, and programmed with primary concern for the public benefit will take incentive from the farmer who is feeding this country with the best and least expensive products in the world."

Other points raised on landownership and use included a statement in reference to absentee ownership that landowners need "operating flexibility, which would be hampered by a residency requirement." Some speakers recommended that alien landownership be limited, or at least not encouraged. Another person observed that tax-loss farming and

investment in farmland by outside interests helps drive up land prices.

Environmental Issues

Several environmental topics came up in Fresno, but the most frequent comments dealt with farm chemicals—especially pesticides—and their regulation. Opinions and recommendations were offered by a wide range of individuals and interest groups.

The general farm organizations in California expressed somewhat differing viewpoints on pesticides. The California Farm Bureau (CFBF) criticized "zero tolerance" standards and blamed Government and manufacturers for not educating the public about "how these compounds are used safely." "We haven't had a pesticide injury or death in agriculture in the last 3 or 4 years," the CFBF president said, and "I don't think we've poisoned anybody in the markets."

The California Grange believed "agriculture is willing to make a reasonable sacrifice in the use of pesticides," but the "other side" must show a "willingness to negotiate" and "meet us halfway." The California representative of NFO said "there has to be credibility involved in the use of pesticides," and "farmers have to accept the responsibility that we are in the 21st century, and that as we get more and more technology in our industry, that there is going to be . . . more and more regulation on pesticides and so on."

A representative from the Tulelake Growers Association of northern California referred to what he termed was "mass hysteria" associated with pesticides. He opposed the banning of 2,4-D, claiming "this chemical is vital to the small grain industry. If we lose this chemical," he said, "the United States will probably not even be able to feed itself, much less the world."

A contrasting view came from a Madera County, Calif., beekeeper, who wrote that "the loss of bees from pesticides . . . is a very serious problem." Although an ASCS indemnity program has paid him for such losses in the past, he said "the problem from pesticides killing my bees is no better today than 20 years ago."

A small farmer with "60 acres of vines" about 20 miles south of Fresno criticized pesticide contamination and the State university's role in developing and promoting petrochemical interests. He said some "pests" were only a problem in weaker soils, explaining that: "My son has been drinking water containing 24 parts per billion of DBCP and the State says one part per billion is unsafe. We have been told by the University of California at Los Angeles that DBCP is the only answer to our nematode problem. This is not true. There are more than 1,500 different varieties of nematodes in healthy soil, of which less than 1 dozen are a problem. Our main problem is the fact that technology seems geared to commerce rather than concerns for the health and welfare of life. The State university system is funded by (petroleum interests); therefore technology is slanted toward petrochemical interests. We kill the soil and use chemicals to produce food and fiber because alternate technology is not encouraged by the University of California farm system."

Regulations and Government Programs

Many people spoke out at Fresno against what they saw as an unyielding, everenlarging sea of laws, rules, and regulations which they characterized as "strangling" the agricultural producer. For example, one witness claimed predator control regulations hurt ranchers. Another noted that control of nitrite preservatives is damaging to the pork and beef industries.

However, just as many individuals—and sometimes the same ones who criticized Government—asked for some type of Government protection, subsidy, or rule change to improve their economic position in the marketplace, or better the chances for one commodity or another.

Other people praised various Government programs and Government's role in agriculture. For example, a rancher from Yearington, Nev., generally attributed the success of western agriculture to the operation of Government programs including those of the land-grant colleges, Cooperative Extension Service, ASCS, SCS, and the Bureau of Reclamation. He urged the continuation and strengthening of these programs.

The California Farm Bureau criticized what it said was "general meddling in the business of agriculture," and "Government regulations that threaten to strangle the farmer's ability to produce." The CFBF president said that if there was a single message coming out of his organization's annual meeting, it would be to "tell Government not to encumber our ability to be the most productive farmers in the world."

"Regulations, restrictions, and limitations only foster mediocrity and add unnecessary costs," said a farmer who operates 40 acres in the Visalia-Tulare area of California. In his opinion, "the idea of limiting the size of a farm, dictating what to grow, how and

when to market, what our dietary goals should be, and suppressing the incentive of private enterprise is pure socialism or communism."

Another view was expressed by the 150-acre grape farmer who represented National Land for People. Describing what he saw as "socialism for the rich," he said "we spend dollars propping up big farms and pennies supporting small farms. What this attests to," he suggested, "is that large farms are more viable as political entities than as economic entities, for their greatest skill is not farming the land but farming the Government."

"Many farmers in California view subsidies (from Government programs) as welfare programs," wrote a 70-year-old farmer from Tulare, Calif. "We don't like them, but in essence must participate to meet our competition."

Among other issues discussed at the Fresno meeting, but less frequently than those described above, were water conservation, inflation, rising land prices, the definition of the family farm, the rate of attribution among older farmers, vertical integration, an alleged "cheap food" policy, dietary guidelines, and rural housing programs.

Mailed Comments

Sixty-three different individuals and organizations submitted everything from three-sentence, hand-written post cards to inch-thick legal briefs, specialized research papers, and tape-recorded messages for consideration as part of the public record of the Fresno meeting. Like the public meeting itself, letters and statements from Californians dominated this part of the record.

The wide variety of individuals and groups who expressed their positions, comments, suggestions, and points of view in writing included many farmers and ranchers, farm organizations, State officials, a university professor, a banker, a real estate agent, a commercial feedlot operator, legal services lawyers, a Chamber of Commerce spokesperson, and a number of others.

Resource-related issues and the role of Government programs in agriculture were the predominant concerns covered by these written materials, particularly among Californians. Like the public meeting itself, issues of farm size, production efficiency, control of production, and administration of the Reclamation Act of 1902 were raised frequently as well.

The concern with Government programs and regulations—as a factor in resource management and other issues—was raised more often than any other among these written comments. In addition, the uniqueness of California as an agricultural region—and its market vulnerability in light of rising energy and transportation costs—was mentioned often, as it was during the public meeting.

California shippers, growers, and commercial interests generally emphasized that the State was a diverse region of small farms and big farms, of specialty crops and intensive production—unlike anywhere else in the United States. Echoing the sentiment expressed during the public meeting, this group of interests felt California's agriculture was not completely appreciated in Washington, D.C., and deserved more special treatment and consideration. The president of the Stockton Chamber of Commerce, for example, explained that "the structure of farms in California is unique . . . and should not be subjugated to some type of a 'national average farm structure'. . . . We are simply reminding you that regional and sectional differences in farm structures should be recognized, considered, and perpetuated. . . ."

Water: The administration and possible reform of the Reclamation Act of 1902 was a common topic of written comment—similar to its commanding major attention during the open meeting. Closely linked to it were questions regarding acreage limitation, farm size, and agricultural efficiency.

A Madera woman, writing for her family and the Central Valley chapter of California Women for Agriculture, opposed any acreage limitation, residency requirement, or leasing restriction imposed under the Reclamation Law. She said that "there is nothing wrong with being big, and no artificial restraints should be placed on expansion." She added that "a small farm is not as efficient as a large farm," and said "farming is a business, not a social lifestyle experiment." She noted that she and her husband lease 320 acres of land in the Westland Water District, which they intend to buy when the moratorium on excess land sales is lifted within the next 10 years.

The Raisin Administrative Committee of Fresno also opposed any acreage limitation, maintaining that ". . . should farm size in the San Joaquin Valley, and particularly on the West side of the Valley, be limited according to some of the proposals presently being circulated, the impact on the production of grapes, tree fruits, and other relatively intense crops would result in many present grape growers being forced out of business."

The president of the Western Growers Association wrote that "many of our members farm in

reclamation districts, frequently more than one." He said "size and method have permitted western growers to compete successfully with growers closer to markets."

Size of Operations: The Oakland owner of a cattle ranch and feedlot noted that "100 acres of tomatoes is much different than 100 acres of barley," and said the big-farm/small-farm issue was "diverse rhetoric." Citing the example of a 4,000-acre ranch which had gone bankrupt in 1973, he said "economic success is not entirely determined by size. It depends also upon the individual farmer's management, effort, and luck."

There also were those who feared the leverage of large nonfarm corporate interests in acquiring land, and felt some limitation on size was necessary to check their power. For example, a San Diego man wrote: "We should have limited farms to one section per family and not allowed the international cartels, for example, to own land at all. I predict that three or four of these internationals—Exxon, Krupp, Shell, for example—will end up owning all the productive food-growing land from Chalmette Slip to Winnepeg and (when) both sides of the aisle (are) counted, their people in the Senate alone will number between 25 and 40."

The coowner of a Boulder Creek, Calif., vineyard—who had just toured some vineyard and ranch operations in the Napa and San Joaquin Valleys—said the message from her tour was obvious: "Big operations are more highly energy consuming and less concerned with long term care of the land and the local communities, the water suppliers . . . (and) the quality of runoff." She urged doing everything possible to protect the family farm, including a hard look at efficiency, a redefinition of *small,* and enforcement of the "160-acre water laws."

Land Use: Loss of agricultural land, taxes, pressures for development, and the eroding quality of agricultural soils provoked expressions of fear, and—in some cases—anger among correspondents. For instance, a rancher and his wife from Heber, Calif., asked, "Why is farmland . . . burdened with higher taxes because some tax assessor thinks it would be a good place to build houses?" They felt increasing and—in their view—unjustified assessments caused farmers to sell their land because they could not make a profit on it at the higher valuation.

A San Francisco real estate agent who deals in agricultural properties wrote, "I hope that the first priority in this effort (the Structure of Agriculture Project) will be to recommend actions for stopping the loss of agricultural land." Referring to the relationship between energy and agricultural land issues, he said the cost of energy would create a new requirement for farming, but the development of new energy sources such as coal, synthetic fuels, oil shale, and nuclear power would impose its own land and water requirements—some of which would be taken from the agricultural sector, in his opinion. Farmland mined for energy resources, he said, "will never regain its natural fertility," and coal and oil shale production "will destory enormous areas of farming and grazing land."

A family farmer, with "75 acres of premium wine grapes in the Santa Cruz mountains," predicted that "the future of small-scale specialized agriculture . . . doesn't look good—not around here, anyway. Every developer and real estate agent has an eye on your land," he wrote. Advocating that farmland preservation should be a "visible national priority," he said "prime lands should be preserved because their productive capacity is the greatest. Unique farmlands," he added, "deserve equal consideration because of their unique one-of-a-kind combination of soil, climate, and use. Can you imagine," he asked, "tearing up the great Champagne vineyards of France to put up a shopping center or a subdivision?"

Some people drew a connection between diversified farming and the availability of prime agricultural land. Others, however, advocated diversity in farming generally. A representative of the Hawaii Farm Bureau submitted several resolutions adopted by his organization. One noted the objective of the Hawaii State Plan for the continued growth and development of diversified agriculture throughout the State, but also indicated that "prime agricultural land available and suitable for diversified farming and family farms is very limited" in Hawaii.

Mechanization Research: Regarding agricultural mechanization—and particularly the question of the Federal Government's role in funding research for the development of labor-saving machinery—a California farmer and sheepraiser wrote, "Please continue funding programs that result in something that will be *productive,* not in more social programs that *hurt* farmers."

An Elko, Nev., individual who had attended a group workshop on the structure of agriculture, wrote to ask USDA to "aid and advise equipment manufacturers in (the) development of machinery for small operators."

"Agricultural research that has resulted in increased mechanization has added immeasurably to the increased production in recent years," wrote the president of the Allied Grape Growers of Fresno. He

added that growers of "many specialty crops which are almost impossible to mechanize are having to rely almost totally on illegal aliens to plant, cultivate, and harvest those crops. Without that source of labor, many growers would be forced to stop growing certain crops."

Marketing, Energy, and Transportation: California growers and shippers reiterated in their letters the unique marketing situation of the State's agriculture, and expressed some fear over their marketplace vulnerability to energy and transportation factors.

For example, the president of Western Growers Association wrote that "current conditions (that is, fuel crises, truck strikes, and railroad deregulation) threaten the present structure of our industry, and push us toward greater size because of capital requirements."

The Director of California's Department of Food and Agriculture noted that "a highly integrated, energy intensive, capital-intensive economy, and agricultural sector is also highly dependent on fluctuations in energy supply and price. Every indication is that in the next decade or two, these high prices and sharp fluctuations in energy prices are likely to dominate the economic landscape."

Some individuals also discussed the importance of farmer cooperatives generally, and why they were needed by the small farmer, especially for marketing. A member of a Nevada workshop on the structure of agriculture wrote, "There needs to be more encouragement of cooperatives because they can help small farmers survive."

A Kenwood, Calif., woman advocated that the Federal Government "should promote and publicly condone farmers' markets throughout the country. If small family farms are going to survive in the United States," she wrote, "I feel there will have to be a greater emphasis on direct marketing and local buying."

Echoing this support for direct marketing, a Marina del Rey, Calif., woman felt this was a way to break—what she believed was—the hold of large agribusiness conglomerates on small farmers and consumers.

Role of Government: While some persons wrote expressing sentiments that Government programs and assistance were needed to aid the unique nature and vulnerabilities of California agriculture, others said Government should stay out of agriculture altogether. A cattleman from Kern County, Calif., for example, wrote: "The most emphatic recommendation I would like to make is for Government to get out of our business."

A Soledad, Calif., resident said, "I do not advocate that Government should abandon all interests in chemicals, health and safety, land use, and other areas." But, he added, "statistics clearly show that most of the regulations and laws that have been imposed over the last few years have not resulted in increased benefits to society."

An egg producer from Watsonville, Calif., explained, "I don't wish to give the idea that I would like to have unlimited use of chemicals or uncontrolled use of alien labor." However, he went on to say that "Government regulations have become a millstone around the neck of agricultural producers, raising costs without equal efficiencies." Expressing frustration with what he felt was the burgeoning amount of paperwork required of him by several Federal agencies, he wrote that "business can only carry so many nonproductive people for so long, then the whole thing will collapse of its own weight."

Alternative Agriculture: Alternative systems of production, marketing, and supply were suggested for both agriculture in general and energy in particular. Organic agriculture, integrated pest management, and certain fertilizing techniques were seen as both environment-preserving and energy-saving practices that offered other than petroleum-based inputs and supplements to the production sector. Solar energy, wind power, and on-farm crop and animal wastes were suggested as potential energy sources which would help make agriculture more self-sufficient.

The Director of California's Department of Food and Agriculture summarized it this way: "I think Government farm policies, in the next several decades, should focus on energy self-sufficiency. By this I mean, we should encourage on-farm production of energy needed for farming. Alcohol fuels and gasification, as well as solar and wind energy sources, are ideally suited to on-farm development. Government policies can and should be aimed at improved self-sufficiency and lessening farmer dependence on outside sources of energy."

Echoing this concept was an individual from Sacramento, Calif., who had studied the feasibility of turning crop wastes—consisting of rice hulls, rice straw, tomato pulp, and cattle manure—into electricity. He advocated that such wastes could be used to power small steam-driven electric generators for on-farm use. "I believe the development of these systems would go a long way in making American farms more energy self-sufficient," he said.

On a smaller scale, a San Jose, Calif., woman wrote that organic farming on small farms was valuable for environmental and energy reasons because of the costs of petroleum-based products and the natural stability found in diverse agricultural systems.

A representative of the Erro Sheep Company of Coalinga, Calif., wrote that "we have poisoned our soil, water, and food with . . . chemicals, and their use has increased our dependence on foreign oil." As an alternative, he wanted to have "a large portion" of USDA research funds "allocated to the development of new and improved cultural practices to control fertility, insects, and weeds without the use of petrochemicals." He also suggested using "a big share of these funds . . . to develop and improve biological means" of accomplishing the same goals.

The Kenwood, Calif., woman suggested that the Soil Conservation Service encourage "crop diversification instead of the vastness of (crop) monocultures and (their) attendant problems."

An entomologist and integrated pest management (IPM) consultant wrote to urge that a depletion allowance or other tax credit be extended to farmers who use "fertilizers which contribute to the long-term productivity of the land." She noted that many farmers cannot afford the time to try, or take a chance on, IPM or organic techniques because of their economic situation. "Even though I can show them that they are actually buying future pest problems for themselves (by using urea and other synthetic fertilizers), they are stuck by the short term economics," she said.

Also concerned about certain plant patenting legislation pending in Congress, this Sebastopol, Calif., woman said she was fearful that it would enhance the control of multinational corporations in the seed business while gradually eliminating genetic diversity and seed variety. She also feared the possible elimination of entire species of certain desirable genetic traits which could be valuable for pest and disease resistance.

Taxes: An attorney from Woodland, Calif., suggested that Congress had a social purpose in mind when it enacted the Federal estate tax. "In a sense," he said, it "was a form of socialism, as it did prevent the accumulation of huge estates" and "gave impetus to a wider distribution of wealth among the people." Now, however, due to inflation, the Federal estate tax is putting the small-to-modest sized farmer in a higher assets bracket, and is hitting him harder than the larger operator, he said. "It's (now) the little guy whose wealth is being more widely distributed."

Unless the inheritance tax laws are changed very soon, according to the president of Allied Grape Growers, "I visualize that within another 50 years, most family farms will be forced to sell to large corporations because of death taxes."

Credit: The vice president of a central California commercial bank wrote that the proposed Farm Credit Act "would be damaging to the commercial banking system and would be particularly devastating to the small, independent commercial banks." He said this "would ultimately affect the small farmer's access to loanable operating funds." Therefore, he urged the creation of a "task force to study the means for better and more equitable funding of agricultural loans."

Related to both tax and credit issues is the problem of barriers to the entry into agriculture. A 30-acre farmer from Lincoln, Calif., wrote that he and his wife both work in a town 40 miles away to support their family. "The barriers that have been created for entry into agriculture are difficult but not insurmountable," he said. "Any restructuring of agriculture should not create a mecca for the uniformed, the illiterate, the lazy, or for an alternative to welfare."

Yet, he believed that national and State agricultural policy "should be in line with our democratic principles," and "should allow access or provide a means for access . . . to all persons willing to work and achieve economic production levels . . . (regardless of) income levels, ethnic backgrounds, marital status, and so forth."

Panelists: Sal Alvarez, Parlier, Calif., legislative representative, United Farmworkers, AFL-CIO; Marin G. Baiz, Selma, Calif., farmer; Berge Bulbulian, Sanger, Calif., farmer, president, National Land for People; John Connolly, Yerington, Nev., farmer; Antonne M. Damas, Hughson, Calif., farmer; Jesse de la Cruz, Fresno, Calif., farmer; Thomas Dungan, Exeter, Calif., farmer; Frank Endres, Murieta, Calif., National Farmers Organization; Michael Fitch, Danville, Calif., vice president, agribusiness affairs, Wells Fargo Bank; Frederick H. Heringer, Berkeley, Calif., president, California Farm Bureau; Bob Johnson, Chular, Calif., farmer; George Lindemann, Newport Beach, Calif., Western Growers Association; Guido Lombardi, Porterville, Calif., president, Agriculture Council of California; Jackelyn Lundy, Davis, Calif., president, California Consumer Cooperative Federation; William McFarlane, Fresno, Calif., farmer, president, California Westside Farmers; Gabino Marquez, Salinas, Calif., vice president, Confederacion Agricola de California; Nancy Mattrocce, Madera, Calif., California Women for Agriculture; Mark Parreira, Los Banos, Calif., farmer; James Saras, Modesto, Calif., farmer, Tri-Valley

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Growers; William Staiger, Sacramento, Calif., executive vice president, California Cattlemen's Association; Ellen Straus, Marshall, Calif., agriculture chairwoman, Environmental Forum of Marin County; Harry Snyder, San Francisco, Calif., Consumers Union; John Welty, Sacramento, Calif., legislative director, California State Grange.

Open Microphone: Leonel Alvarado, Fresno, Calif., city councilman, City of Fresno; Edward Annos, Fresno, Calif., agronomist, Technical Assistance Program; Warren Ball, Fresno, Calif. president, Kings County Cattlemen's Association; George Ballis, Fresno, Calif., National Land for People; James W. Bell, Sacramento, Calif., Canners League of California; Joe Branco, Dos Palos, Calif., Western Dairymen's Association; Rev. Tom Briggs, Petaluma, Calif., Holy Order of Mans; Bill Canning, Firebaugh, Calif., cattle feeder; Jack Carrico, Yuba City, Calif., farmer, past president, California National Farmers Organization; Russ L. Carver, Glennville, Calif.; Richard Collins, Sacramento, Calif., student, University of California-Davis; Nat M. DiBurduo, Jr., Fresno, Calif., farmer; W. O. Freeman, Jr., Fresno, Calif., farmer, director, California Almond Growers Exchange; Tom W. Frey, Tulelake, Cal f., Tulelake Growers Association; John Garabedian, Fresno, Calif., farmer; Carole Harris, Coalinga, Calif., farmer; Willoughby Houk, Firebaugh, Calif., farmer; Ted Kimbler, Montague, Calif., farmer; Henry C. Klein, Fresno, Calif., farmer, chairman, Raisin Administrative Committee; Ernestine Leas, Fresno, Calif., land use director, Fresno League of Women Voters; Floyd M. Marsh, Williams, Calif., farmer, past president, National Wool Growers Association and California Wool Growers Association; Everardo Martinez, Fresno, Calif., Family Farm Technical Assistance Program; Gabriel Martinez, Selma, Calif., farmer; Bill Maze, Fresno, Calif., Proteus Adult Training, Inc.; F. W. McGugin, Fresno, Calif., chemist; Manuel Melgoza, Delano, Calif., attorney, California Rural Legal Assistance; R. L. Middleton, Tulare, Calif., farmer; Walter W. Minger, San Francisco, Calif., senior vice president, Bank of America; Clayton Mize, Sacramento, Calif., farmer; Gloria P. Moralez, Fresno, Calif., Moralez & Associates; John Rogalla, San Luis Obispo, Calif., California Polytechnic State University; Roy Sharp, Tulare, Calif., farmer; Betsy Temple, Fresno, Calif., attorney, Fresno County Legal Services; Barbara Tokmakian, Fresno, Calif., League of Women Voters of California; Alex Valdez, Mendota, Calif., mayor, City of Mendota; J. Martin Winton, Fresno, Calif., farmer; Kiyo Yamamoto, Turlock, Calif., farmer.

Written Comments: Rush Bergman, Fresno, Calif., farmer; Arlene Bowman, Fresno, Calif., Future Farmers of America; Antoinette E. Burch, Fresno, Calif., farmer; Weldon Burson, Acampo, Calif., president, San Joaquin County Farm Bureau; A. Vernon Conrad, Reedley, Calif., president, Fresno County Farm Bureau; Michael J. Costello, Palos Verdes Estates, Calif.; Dean Donaldson, Vacaville, Calif., corporate administrator, Basic Vegetable Products, Inc.; Mrs. Alfred Edelbacher, Madera, Calif., farmer; Frances Erkskine, Dos Palos, Calif., farmwife; John F. Flynn, San Diego, Calif., president, Renewable Energy Trade Association; Priscilla C Grew, Sacramento, Calif., director, Department of Conservation, State of California; Angelina Panero Herinau, Fresno, Calif., farmer; Betty L. Hoyt, Winton, Calif., farmer; Thurber L. Hoyt, Winton, Calif., farmer; Doris Indart, Calif., farmer-sheepraiser; Mrs. Akiyo Konishi, Cutler, Calif.; Frederick W. Krueger, San Francisco, Calif.; Bill Monning, Salinas, Calif., Marion Standish, San Francisco, Calif., and Alberto Guerrero, Santa Rosa, Calif., for California Rural Legal Assistance; A. J. Nachbaur, II, Madera, Calif., beekeeper; Richard L. Nock, Fresno, Calif., president, Livestock Marketing Association; J. Martin Winton, Los Banos, Calif., president, Grassland Resource Conservation District.

Mailed Comments: Norma Aguino, Chowchilla, Calif., president, Madera County 4-H; Valarie E. Ahlgren, Santa Cruz County, Calif., Ahlgren Vineyard; James P. Anthony, Stockton, Calif., president, Greater Stockton Chamber of Commerce; Daryl Arnold, Newport Beach, Calif., president, Western Growers Association; Kathleen Baldoni, Fresno, Calif.; George D. Beitzel, Elk Grove, Calif.; Rush Bergman, Tulare, Calif., farmer; Elsie Bonfantini, Ballico, Calif.; Don E. Burgess, San Diego, Calif.; Vida D. Burgess, Redding, Calif.; Kate Burroughs, Sebastopol, Calif., Alex Contreras, Fresno, Calif., project coordinator, National Economic Development Association; Wayne DeCou, Corning, Calif.; Philip Erro, Jr., Coalinga, Calif., Erro Sheep Co.; Jonathan Field, Lincoln, Calif.; Mike Fitch, San Francisco, Calif., vice president, Wells Fargo Bank; Thomas E. Florine, D.V.M., Moraga, Calif.; William H. Friedland, Santa Cruz, Calif., professor of community studies and sociology, University of California; Gil Friend, Sacramento, Calif., Office of Appropriate Technology, State of California; Daniel Gehrs, Saratoga, Calif., Congress Springs Vineyards; Erik Gjesteby, Potter Valley, Calif.; Priscilla C. Grew, Sacramento, Calif., director, Department of Conservation, State of California; Bob Harris, Watsonville, Calif., egg producer; John C. Harris, Coalinga, Calif.; Adin Hester, Visalia, Calif.; Jack Himmelwright, San Francisco, Calif., real estate; Doris Indart, California, farmer-sheepraiser; Susana Jacob, Point Reyes Station, Calif., environmental action committee of West Marin; J. Gordon Kennedy, Madera, Calif., supervisor, Madera County; Henry C. Klein, Jr., Fresno, Calif., Raisin Administrative Committee; Edwin Koster, Sacramento, Calif., master, California State Grange; Frank E. Lange, Santa Rosa, Calif.; Louise Lawrence, San Jose, Calif.; Gerson Levin, Van Nuys, Calif., Commodity Traders Association of Southern California; William M. Maguy, Visalia, Calif., Proteus Adult Training, Inc.; John McCormack, Sacramento, Calif.; Wat McGugin, Fresno, Calif., Valley Limestone & Co. Inc.; Robert C. McInturf, Fresno, Calif., president, Allied Grape Growers; Ian McMillan, Shandon, Calif., farmer; Ralph W. Mehrten, Exeter, Calif., Mehrten Cattle Co.; Albert H. Meyerhoff, San Francisco, Calif., attorney, California Rural Legal Assistance; R. L. Middleton, Tulare, Calif., farmer; Russell Millsap, Woodland, Calif., attorney, Millsap, Millsap & Thompson; Walter W. Minger, San Francisco, Calif., senior vice president, Bank of America; Sally C. Nelson, Madera, Calif., farmer; Lowell A. Pannel, Sacramento, Calif., director, Agriculture Council of California; Dave Secrist (with Robert Wright), Elko, Nev., Nevada Cattlemen's Association; Wheatman Sprouting Sunswheat, Potter Valley, Calif.; R. E. Rominger, Sacramento, Calif., Director, Department of Food and Agriculture, State of California; Violet M. Rose, Paso Robles, Calif.; Lynora Saunders, Marina del Rey, Calif.; Richard R. Smith, Soledad, Calif.; Joe Stasulat, Davis, Calif., program coordinator, University of California; Kasuto Takayama, Hilo, Hawaii, small farm delegate, Hilo County Farm Bureau; Bernard Taper, Berkeley, Calif., writer; Robert M. Teets, Jr., San Francisco, Calif., food law center, California Rural Legal Assistance; Virgil Torrence, Heber, Calif., Mt. Signal Cattle Co.; Ruth R. von Uhlit, Napa, Calif., farmer; Rosie Vasquez, Salinas, Calif., chairperson, board of directors, California Rural Legal Assistance; Gary R. Vieth, Honolulu, Hawaii, assistant professor, college of tropical agriculture, University of Hawaii at Manoa; Newt Wakeman, Lodi, Calif., vice president, Farmers and Merchants Bank of Central California; Ronald E. Waltenspiel, Healdsburg, Calif., rancher; Tom Watson, Elko, Nev., ranch manager; John Weidart, Fresno, Calif., executive director, California Westside Farmers; James E. Wickersham, Oakland, Calif., Triangle T Ranch, Inc.; Hugh T. Williams, Bakersfield, Calif., Williams Ag-Management; Herbert Witt, Minden, Nev.; Carolee Wolter, Kenwood, Calif.

Lafayette, Indiana
December 18, 1979

(indiana, Illinois, Michigan, Ohio, Wisconsin)

A "standing-room-only" crowd of 700-800 people joined Secretary Bergland, Deputy Secretary Jim Williams and Science and Education Director Anson Bertrand in Lafayette, Ind., on December 18. This last of the 10 public meetings was convened in a room filled with farmers and other citizens from Indiana, Illinois, Michigan, Ohio, and Wisconsin.

Over the course of the day, 22 witnesses on 5 panels and 49 others at the open microphone gave testimony. In addition, 44 persons submitted written comments for the record, and 54 mailed in contributions. Persons submitting oral or written testimony included nearly 60 farmers, 15 representatives or members of farm organizations, academicians, students, commodity organization representatives, agribusiness people, public interest activists, Government officials, representatives of religious groups, a banker, an engineer, a veterinarian, a farm editor, and others.

Farmers who attended this meeting produce a variety of crops and livestock—including corn, soybeans, dairy products, fruit, vegetables, hogs, and cattle. Of the slightly more than 100 people who identified their places of residence, just under half were from Indiana; almost one-fourth came from Illinois; about 12 percent came from Michigan and Ohio; and 5 percent were from Wisconsin.

Regional Profile

Areas covered by this and the Sioux City meeting are strongholds of traditional American production in grains and livestock. In all five States represented at Lafayette, corn, hogs, cattle, and dairy products were among the top five commodities by sales in 1977. Corn and soybeans were the leading sellers in Illinois, Indiana, and Ohio, while dairy was the leader in both Wisconsin and Michigan. Illinois is first and Indiana second among the 50 States in national sales of both corn and soybeans. In hog sales, Illinois is second and Indiana third nationally, while Wisconsin is the Nation's leading dairy State.

Farming in this region in 1977 accounted for 2.2 percent of the area's total personal income in 1977. Accounting for this seemingly low proportion is the presence of the large population centers of Chicago, Detroit, Indianapolis, Cleveland, Cincinnati, and others. Total farm sales for the region in 1978 amounted to $18.4 billion, including $9.5 billion in crops and $8.9 billion in livestock.

All of the general farm organizations—Farm Bureau, Grange, National Farmers Organization (NFO), National Farmers Union, and American Agriculture Movement (AAM)—have chapters in each of these five States. There are few nontraditional groups in the area. Rural Resources, an Ohio small farm advocacy organization, is one.

Several broad categories of issues emerged from this meeting, including inflation and farm income; land; farm size, efficiency, and control; the role of Government; and problems associated with farm and food system inputs (such as energy, transportation, marketing, credit, and labor).

Inflation and Farm Income

More than one-third of the contributors raised the issues of inflation, farm prices, parity, or farm income. Several spoke to all those concerns. An Indiana farm organization official summed up much of the sentiment: "Inflation is one of the primary problems facing today's modern farmer, regardless of size, location, or crops produced. Many of the issues being discussed in this series of meetings across the country—such as entry into agriculture, tax policy, price support questions, and so forth—are relevant largely because of the continued rapidly increasing costs of doing business and of . . . everyday living."

A farm magazine editor who surveys his subscribers twice a year said, "Indiana farmers indicated in our last two polls that inflation is by far the biggest problem they face in farming. They now rate it far above farm prices as their main concern."

A Wisconsin dairy farmer contended there was an ironic advantage to inflation: "It is the thing that is keeping the family farm operating. Inflated land values make it possible for farmers to keep going to the bank and getting more credit."

A Michigan producer described how inflation forces him into expansion: "When I paid more for a moderate size tractor 2 years ago than my father-in-law paid for the farm when he settled up with his sisters, I have no alternative but to put that tractor over more acres."

About one witness in six brought up the problem of low farm prices. The same proportion mentioned parity, profits, or farm income. Many called for better prices for farm products:

- "The American farmer needs cost of production plus a reasonable profit."

• "Fair prices, so that there would be a chance and a hope for the future of our young people."

Others spoke about the need for profit and about its philosophical value. A Michigan member of American Agri-Women said, "Farmers must make a profit if they are to survive. Good profit means a surplus left to the producer or employer after deducting wages, rent, cost of materials, and so on. It is not a dirty word as this country's cheap food policy would have you believe. To the farmer, businessman, IBM, or creditor, it is survival."

Several offered solutions. For example, an Indiana grain farmer called for recapture of costs of production plus a profit through " . . . a law that says that no farmer can sell his produce below the true current cost of production or true current parity, and no buyer can legally buy below it."

A dissenting view on "Government-required" parity came from an Ohio farmer, who said: "What parity pricing would do is encourage corporate farming and speed the continuing demise of the family farm . . . Dependence on artificial Government involvement in market pricing is unwise as it discourages self-reliance and efficiency. Further, the only parity pushers I know are farmers who followed (former Secretary) Butz's bad advice and 'got big' in the early '70's by extending their credit. Now that they can't make their payments, with the markets at more reasonable levels, they want the Government to bail them out. We shouldn't reward poor planning."

Several witnesses summed up the linkage between inflation and farm prices. "Inflation," according to a sixth-generation Michigan farmer, "affects farm income and wealth by the immediate impact on the prices of goods and services the farmers purchase. Farm prices on the other hand are largely set by supply and demand without regard to production costs."

A State Farmers Union president claimed consumers benefit from externally induced farm miseries: "We think it is fair to say that consumers were probably the greatest beneficiaries of our farm programs during the last 40 years . . . . This practice of using the farmer as a scapegoat must be stopped. Too long farmers have been used as an inflation fighter and as a way the Government keeps food prices down. Our Nation cannot continue to stretch the farmer to the limit," he said. "Statistics show the farmer cannot continue to accept low prices, and this is being proved by the fact that the family farmer is being forced out of agriculture. When this happens, not only farmers but consumers and our Nation end up as losers."

Several speakers at the meeting blamed low farm prices on what they said was a "cheap food" policy. As the Illinois State Grange master said, "We have been a tool in a cheap food program and we no longer can afford to do this if we are to maintain the family farm." An Illinois farmer asked a rhetorical consumer's question: "Do I want to continue to spend 17 percent of my take-home pay for food and practically guarantee the exodus of the family farm? Or am I willing to spend 20 percent of my take-home pay and practically guarantee the existence of the family farm?"

According to a corn and hog producer, the result of Government programs beginning in the 1960's was that " . . . the farmer subsidized the consumer with a cheap food policy and the Government subsidized the farmer so he wouldn't go broke. Today's program is a very definite improvement but commodity loan prices are still set more on concerns for consumer food costs than on farmers' profitability."

To help enhance the farmer's return, witnesses recommended not only parity but several other steps as well. Most prominent among them was promotion of gasohol production.

Farm Size, Efficiency, and Control

More than a third of those at the meeting addressed issues of farm size, efficiency, and control. Included within this broad category were such topics as technology, tenancy, off-farm employment, barriers to entry and exit from agriculture, the role of the small farmer, and the role of corporate agriculture. About one witness in five mentioned farm size. Some felt the increasing average size of farms was a problem. Others disagreed. There was some argument over the claim that large farms are more efficient. But many witnesses contended larger farms are necessary to produce adequate income.

A Michigan representative of American Agri-Women warned against excessive sentimentality toward the small farm: "Is it the USDA's intention to promote the feeding of this Nation and large parts of the world at the level to which they have become accustomed?" she asked. "Will it be to feed the hungry which will require the Nation's full agricultural resources . . . ? Or is the intention to provide a folksy, back-to-nature, down-on-the-farm lifestyle for a chosen group of people?"

There was a general perception that farm size is increasing. For example, an Indiana witness noted, "More smaller farms are continually being consolidated into larger ones and unfortunately this trend is expected to continue into the future." Others agreed that this consolidation is unfortunate.

A former USDA official and university professor said, "Here in Indiana . . . a farm which is large enough to give employment to one or two full-time men, properly equipped, is an efficient unit. To go beyond that size does not give you added efficiency. It gives you control of more acres and the revenue from more acres. It gives you more income, but it is not basically more efficient. I believe that if we get more and more of the super-large farms that go beyond the point of efficiency, that we experience a concentration of land ownership, a concentration of entrepreneurship in agriculture, and a foreclosing of opportunities for young people to begin in farming . . . . This is disadvantageous with regard to our valued tradition of an open agriculture with farms of moderate size and with opportunities for entry."

A Wisconsin dairy farmer closed his testimony on this note: "Mr. Secretary, I want to leave you with a message. Bigness is not best." But more of those who mentioned farm size during the meeting agreed with the Indiana Farm Bureau official who said, "Farmers' . . . opportunity to improve their standard of living may depend on their ability to increase the size of their farming businesses. It is the utmost importance that they not be denied this opportunity."

A Wisconsin farmer asked, "Why should the business of agriculture be limited to size when every other segment of industry continues to grow by natural expansion and by merger?" Others who criticized the small farmer and Government leanings in his or her direction, typically said:

- "Small farms lose money. . . . What makes you worry about the farm becoming too large for efficiency? Any economist knows and understands the law of diminishing returns."
- "Subsistence farmers do not feed other Nations the kind of food supply we enjoy . . . and they are not the major producers of food in the United States. Don't let assistance for one component in food production be at the expense of others in the food system who provide us with the bulk of our food."

Those who believe farms are becoming too large offered a few recommendations. "We're going to have a policy . . . where we limit payments to your neighbors out there," said the president of the Indiana Farmers Union. "You know, we say, look, John, our society thinks you're large enough. Our Government is not going to make it its policy that you get larger. Now, this is not to say that John can't get larger if he can do it." But that growth should not be through public action, he implied.

The former Government official and professor quoted earlier, suggested several changes in commodity programs, credit, tax policy, and research and extension—all to help smaller producers. "Present publicly supported agricultural programs are tilted toward servicing—and thereby encouraging—the superlarge farm units. To redress this imbalance," which he recommended, "would not mean what is sometimes alleged—going back to small, inefficient farms. It would simply mean removal of the large-farm bias in these programs that presently exists."

Several different barriers to entry were identified. On inheritance taxation, a student from Ohio said, "I worry about whether, when the time comes to take over my father's land, I shall be able to afford to pay the estate taxes."

On corporate and foreign investments, a NFO representative claimed "the corporate type, nonfarm, tax loss entities as well as the foreign investors . . . have all but eliminated our young peoples' opportunity to farm." Entry for beginners, according to another witness, is made more difficult by preferential taxation given to foreign purchasers of farmland, and land prices are also a formidable stumbling block. "With the increased valuations that we've experienced in farmland in the last decade, we're looking out not only a lot of our nonfarming young people who would like to get into farming, but our young sons and sons-in-law too," he said.

A few witnesses suggested remedies to the difficulties of entry, such as:

- "If prices were at parity levels, I think the farmland at the price it's bringing today would afford new starters."
- Employment as a hired farm worker ". . . has proven to be an ideal way for young people to gain experience in the industry before setting off to finance their own operations."
- The Federal Government should ". . . come up with an incentive to landowners to give them a tax advantage in selling to a young farmer."

Several witnesses voiced concern over nonfamily corporations in agriculture. "If we fail to establish a national agriculture policy designed to sustain the family farm system," said one, "then we may find that system backed into a corner by a corporate type agriculture with both land and its production controlled by a few. Food could then become, like oil, the plaything of a handful." A retired farmer from Indiana declared, "We've got to cut out these large Government payments to these corporation farms . . . these absentee landlords."

Land

About one-third of the participants discussed land issues—that is, prices, ownership, loss to other uses, and soil conservation. On ownership, one witness said, ". . . farmowners seem to do a little better job if they have a direct interest in the land itself." Another quoted Thomas Jefferson: "'The widely dispersed ownership of land by the tiller is the American ideal and a safeguard for democracy.'" A repeated complaint was that large corporations and aliens are taking control of farmland. A related point was that not enough is known about who owns property.

"Economists indicate we really don't know exactly how much land is cultivated by those who own it," said an Illinois farmer. An Illinois Farm Bureau officer maintained that "We need a better data base on who owns land."

Other witnesses—about one out of seven—expressed concern about the loss of prime agricultural land to urban expansion, highways, strip mining, and other alternative uses. The problem, many seem to believe, is such that ". . . if we continue to take more than a million acres of land out of production every year, we're not going to be talking about food surpluses in the near future."

Several specific causes of farmland loss were described. "We live in an area where we are surrounded with many neighbors living on 10-acre parcels," explained a Michigan farmer. "Most of them have livestock—a horse or two, and perhaps a few chickens and dogs. A few have a garden. Most of these people do not produce enough from their 10 acres even to feed the horses. They are buying good farmland because they want to get the family out of Detroit. . . . so they commute. They are food-deficit families, and a real waste of agricultural land. . . . I don't know how long our Nation will be able to afford to have our good agricultural land split up into nonproductive units."

An Illinois farmer claimed that "one of the worst offenders in the use of land is the Federal Government. . . . a lot of good farmland went out of production through. . . . the interstate highway system, recreation areas, and flood control areas."

It is imperative that we ". . . . stop any further strip mining on our prime farmland," said a retired Soil Conservation Service engineer. "The Federal strip mine control law states that before any permit on prime farmland is issued the applicant must prove that he has the capability to restore the land to its original productivity. You know, I know, and the mining industry knows very well that this cannot be done. It took nature 10,000 years to make our prime farmland."

A dam to be built on Indiana's Wildcat Creek by the U.S. Army's Corps of Engineers ". . . .would have permanently removed over 18,000 acres of which 7,400 acres are prime cropland and 1,700 acres pastureland," said a citizen activist who opposed the dam's construction.

Few substantive solutions to the farmland conversion problem emerged. But a Wisconsin State official did describe that State's preservation program of tax credits and agricultural planning. Summing up the need to protect prime farmland, one witness said we will need our agricultural resources for food production. "We can't drink gasohol, we can't farm asphalt, and we can't eat coal," he noted.

Several witnesses spoke about the price of land. Some claimed the cost of land keeps out new farmers. "Higher land prices will concentrate land ownership and there will be fewer farms," said one. But others felt land prices had simply kept pace with other costs.

There were also those who believed that farm commodity prices do not force up land prices. "Is not the economy of the country, the price of bulldozers, the price of tilling, the price fertilizer, the price of labor . . . is that not what's setting the price of land and not the commodities that are produced on it?" one witness asked. An Indiana farmer added, "I do not think it is fair to keep commodity prices low in order to keep the lid on land prices."

Approximately 15 percent of the participants raised the issue of soil conservation, claiming there are severe problems. "Erosion of soil and agriculturally mined soil are a few examples of stress to cropland," said a rural Indiana homemaker. "Plenty of information is disseminated on how to care for the land, but still some of us don't care and, anyway, governmental policies most often encourage our not caring."

One witness commented on the relationship of farm machinery to conservation: "Owners of large farm equipment, in order to conserve time and fuel, must rid their land of trees, unused buildings, brush, and fence rows. This directly conflicts with wildlife conservation, conservation of wood fuel and lumber, and depletes the soil of minerals brought up by tree roots."

Several witnesses claimed that larger machinery, more acreage, and planting fencerow to fencerow are necessary in order to generate more income. An Indiana AAM member put it this way: "I would like to

put in some parallel terraces or dry dams on the rolling land. I would like to tile the creek bottom. Nothing would please me more than to park the sidewinder I use to surface drain the bottom land which lets the good soil run into the creek. It's gone forever. Let the farmer make a reasonable profit and he will take care of his soil."

Role of Government

A number of witnesses testified on the role of the public sector. Almost a fifth of those speaking or submitting written material condemned what they felt was Government interference, overregulation, waste, and inefficiency. "Agriculture should be allowed to operate with an absolute minimum of interference from Government," said an Illinois farmer who raises grain and livestock on about 2,000 acres. "Red tape, taxes, regulations, and discussions such as this one on the structure of agriculture divert attention, time, and money from the real economic needs of our Nation," he claimed.

Another Illinois farmer expressed concern over the rise of a "consumerist attitude" in the Department of Agriculture, and said freedom from governmental interference strengthens American agriculture. "Farming is and has been one of the least regulated industries in this Nation. Farmers have had freedom to produce and market to a far greater extent than in most other countries. With that freedom we have seen developed the most efficient food production industry in the world," he said.

Specific comments about Government included several condemnations of deficit public spending; concern over the possibility of land use controls, and complaints about labor laws. Other references were made to public programs affecting individual commodities.

Several witnesses, sometimes under questioning by Secretary Bergland, suggested that Government price support payments should be graduated so as to provide proportionately more help to smaller farmers. Others strongly disagreed with this idea.

A few witnesses found some actions of Government helpful and proper. For example, a grain and feed association representative opposed deregulation of rail transportation. Another person was broader: "My general feeling is that the less governmental involvement in agriculture, the better. But I do recognize that there are many incidental ways in which the Government can strengthen and help preserve agriculture." Examples specified by this witness included research and Extension, the land-grant college system, cooperatives, 4-H, and the FFA.

Research and Extension

Two areas of public activity affecting agriculture drew numerous comments. One was agricultural research and extension, the other taxation. On research, most spoke of its contributions, its continuing importance, and its funding needs. A Farm Bureau state president said, "Research is to agriculture like new technology is to industry." Added a university dean of agriculture, "Research and education are the keys to the kingdom, whether we're talking about structure of agriculture or energy or improved yield or improved income."

Other witnesses were more specific. Some suggested more research in energy and food marketing, as well as in production. Others said we need more applied research and should not let nutrition research overshadow agriculture.

A former USDA official recommended that the Cooperative Extension Service undertake "additional services in behalf of the part-time farmers, the beginning farmers, and the small farmers. I know that is difficult to do. It's a voluntary system and properly so. When the Cooperative Extension Service puts out its information the people who most often come up to make use of this are the more alert, more aggressive, more innovative farmers. By and large these are the larger operators. . . . It takes a real, conscious, difficult effort to reshape those programs and meet the needs of the people who have greater problems but who are not as aggressive in trying to obtain help," he said.

Several comments on research dealt with energy and the environment. "Of the costs that I look at in my farm, the ones that are rising the fastest are energy-related, fertilizer, and fuel. I think that that should be a main priority for research in the USDA—to reduce the need for chemical fertilizers, particularly nitrogen which comes from petroleum. I think that alcohol production should be stimulated, particularly in combination with cattle operations," said one person. An Indiana fruit and vegetable producer saw a need for new and better pesticides. "The chemical companies tell us they cannot afford to do the research needed to meet the requirements of EPA. Who is going to do this research?" He suggested a joint effort of the chemical firms and land-grant universities.

Taxation

On the subject of taxes and tax policy nearly one-fourth of the participants had opinions. Many of the comments dealt with the burdens of inheritance taxes. For example, an Illinois corn and soybean farmer said "inheritance taxes are going to destroy us. I recently inherited 25 percent of 160 acres and the IRS says they want $1,500 an acre." An Indiana farmer recommended ". . . . a tax incentive for an individual to sell his farm to an agricultural producer rather than a speculator. Should we abolish inheritance taxes on the transfer of land from a father to a son who intends to make his living producing agricultural products?" Another witness said he had avoided future estate tax losses by transferring assets to his children over a long priod.

Other tax issues were also raised. An Ohio woman whose husband has title to their 340 acres explained that, "despite the fact I invested 50 percent of the labor and the money which purchased this farm, I can only obtain title to this land—now worth three times the purchase price—by receiving it as a gift, upon most of which I will pay gift taxes."

A farm organization official voiced strong support for a "change in the tax code to eliminate unfair advantages for nonagricultural income." A former Government official said, "With the tax depreciation schedule, a large, prosperous farmer can buy his equipment at a savings of as much as 40 percent, while a small farmer with low income has to pay full price."

Another suggestion was that alien landowners should receive no preferential tax treatment. Finally, one person noted that suburban expansion into agricultural areas can raise property taxes, because new rural commuters ". . . . expect all of the convenience of urban living and all of the advantages of rural living. It places an increased tax burden on agricultural land."

Marketing and Transportation

Several topics involving farm production and food marketing were covered during the meeting, including such issues as marketing and transportation, credit, labor, energy, and the environment. Approximately one participant in six spoke or wrote on some aspect of marketing or transportation. On marketing there were general expressions of the need to develop more outlets for agricultural products. Farm income depends on ". . . no moratoriums against exports of any kind and development of all markets possible including gasohol."

An Illinois farmer described his view of the Federal responsibility. "The Federal Government's role, in my opinion, should be directed to keeping the market channels open. . . . As we progress towards the next century America will need increased agricultural trade overseas to offer markets for vast sums of efficiently produced grain and livestock."

One farmer criticized the Crop Reporting Service for a too high estimate of the Michigan apple crop. Such an estimate, said the witness, makes it difficult for the producer to obtain a high market price from fruit brokers and processors. "This year," she explained, "the USDA estimated the Michigan apple crop at 17 million bushels. This report was out before the harvest started. This was the number that the Michigan Agriculture Cooperative Marketing Association used to bargain with. The actual crop was about 15 million. The 2 million bushel mistake cost the Michigan apple producers the difference between making money and losing money."

Wisconsin's Secretary of Agriculture said ". . . . contractual production and vertical integration [have] encroached on the management and the operation of independent owners." And a Wisconsin dairy farmer suggested that "farmers must be knowledgeable in marketing strategies. They can no longer rely on their surplus production to be traded with the neighbor down the road."

A few witnesses mentioned the need for greater decentralization in marketing. A small vegetable grower from Ohio noted that energy constraints may make long-distance marketing impractical. "Shipping large quantities of food thousands of miles, especially when the same food can be produced nearby, will not be practical much longer. Depending on a multifaceted web of the food processing and transportation industries should also be questioned. Energy shortages, labor disputes, or equipment shortages in any one of the links of this chain could short circuit the entire distribution system," he explained.

This speaker and one or two others recommended more direct marketing. An Indiana farmer who raises 51 different fruits and vegetables described some of the advantages of direct marketing. "Many of us are operating pick-your-own farms or roadside markets and selling directly to the consumer through community markets. We can eliminate . . . middlemen. In many instances, we can reduce the cost of our commodities to the consumer by 50 to 60 percent. We feel we are filling a big void to the consumer by producing a high quality . . . . fruit or

vegetable with its delicious taste and sweetness the way Mother Nature intended for it to be."

Another Indiana grower who markets directly said, "We're the only ones in the entire agricultural industry, virtually, that deal directly with the ultimate consumer. We're the only ones that can directly tell the story of the farmer to the ultimate consumer. We're trying to do our best to do that job. We can use all the help we can get."

Some obstacles to direct marketing and local production for local use were cited. "What growers remain in our area," said a witness who farms near Cincinnati, "find that they have little access to existing markets. It is a stated policy of most of the larger distributors and retailers not to buy directly from individuals because the distributors are too large to inventory smaller shipments. . . . In August, Cincinnatians are still eating California tomatoes."

This producer offered several recommendations. "First, eliminate the dualistic nature of market prices through direct regulations. Second, give food contracts of public institutions to local growers whenever possible. Third, encourage processing facilities in and around urban areas so that local produce can be available throughout the year. Fourth, continue to make funds available for forming farmers' markets. And fifth, use media and other public educational facilities to stress the importance of buying locally grown produce."

On the related subject of transportation, there were general complaints of its inadequacy: "The lack of efficient transportation will stifle our efforts to deliver food both here and abroad," one witness said. "The river system has made substantially no change for 20 years. Each month or so another railroad fails or reorganizes. The tremendous amount of trucks on our roads are driving our highways into the ground and running up a fuel bill we can't afford to pay."

Some called on Government to assist. "Instead of building fancy highways to connect cities, Government should be restoring railroads in the rural areas. The movement of farm commodities to the export markets should be the top priority of the American Government," suggested one person.

Most comments on transportation dealt with the rail lines. The importance and necessity of maintaining railroads for agriculture was particularly stressed. One witness opposed deregulation of rail transit. Another recommended that the railroads be charged penalties for idling loaded cars, and that Government provide loans to help local people and businesses purchase local rail lines.

Energy and the Environment

Somewhat less than 20 percent of the participants mentioned energy and fuel problems. There was general agreement on present and likely future constraints, along with recommendations for action. "One thing we've got to do with all haste," said an ex-farmer and machinist, "is to solve this energy problem even if it becomes . . . necessary to ration fuel and gasoline. Stop the gas hogs on the highway so we can tell Iran what to do with their oil, at least until they free our hostages."

Another witness said modern-day agriculture ". . . is based at least as much on petroleum as on the soil. It is variously estimated that from 5 to 12 calories of fossil fuel energy are required to produce one calorie of hybrid corn energy." Several people stressed the need for agriculture to have ready access to energy supplies.

A few witnesses claimed that larger farms exacerbate fuel problems. "They require huge equipment and engines, herbicides, fertilizers, and insecticides," explained one person. "I observe these larger units starting corn harvest at 30 to 35 percent moisture, then consuming enormous amounts of fossil fuel energy drying this down to storable levels. . . . The smaller units let that plentiful supply of solar energy dry the corn down to a much lower level for their harvest. The large units are putting our food supply closer and closer to control of the oil cartels."

Another panelist, answering a question by Secretary Bergland, said the rising cost of fuel puts ". . . the smaller commercial units, family units, in a little better position" than the large farms. However, others disagreed with the contention that smaller farms use energy more efficiently. "Another factor that makes me want to farm more acres is the fuel efficiency," said a Michigan farmer. "Energy is our real problem. I paid $100 for drying 1,400 bushels of corn when I had to take it to town this year. . . . One reason I bought a bigger tractor is because I can plow with less fuel per acre with that than I can a small tractor."

A number of energy-related recommendations came out of the meeting. One person said, "I firmly believe alcohol is an important partial answer to our fuel shortage. Road blocks to its growth should be removed. In the Midwest, corn can be used successfully and we are seeing the gradual growth of it. Other alternative fuels also should be encouraged."

Another advocated that ". . . there should be a marriage between the Department of Agriculture and Department of Energy. We have seen the Department

of Energy—a new department—not produce one drop of energy and they're not going to."

A third maintained, "We've got a fuel shortage here but we're burning up excess fuel running produce from California to Indiana. Maybe the produce could be produced here. . . . This fuel cost is in excess of even the production cost of the produce in the first place."

A few witnesses brought up issues having to do with the environment and the use of farm chemicals. There was concern about regulation of chemicals. "There is no segment of our society more concerned and more willing to support and work to protect our environment than farmers. . . ," said a State Farm Bureau president. "We pledge our support and continued effort to protect our land and provide our Nation with the abundance of food and fiber we need. But to do this we must be able to use, with the proper safeguards, the antibiotics and chemicals that have made this production record possible . . . . Farmers will not respond to irresponsible and poorly thought-out Government edicts in this area."

A witness from Michigan expressed concern over "the movement to curtail production by the radical environmentalists, the antichemical lobby, the food self-sufficiency people, and the enemies of . . . ag research."

The other side of this issue was posed by a small farmer from Ohio. He spoke of his experiences with organic farming methods: "I grew soybeans this year and didn't use pesticides or herbicides, and they were as clean as anybody else's. . . . It can be done. It takes more time. We have a small farm so we can afford to do things in a more timely fashion than the larger farmers can."

A different environmental issue was raised by an Ohioan who farms near a large city. One factor ". . . . in making it more difficult to produce food locally," he said, "is the deteriorating air and water quality in urban areas. I think it would be a mistake to lower pollution standards under the guise of saving money."

A representative of Rural Resources, an Ohio public interest group, expressed concern about ". . . . the lack of genetic diversity in our seed industry." Older seed varieties are being lost, according to this witness, while new varieties are coming increasingly under the control of petrochemical corporations.

Other Issues

A few references were made during the meeting to credit and debt problems. Witnesses discussed several public programs. "The Farmers Home Administration," said one panelist, "originally set up to help small farmers, has been captured by the large farmers. This agency now has more than 300 loans in excess of a million dollars apiece and has one loan of $17 million." This panelist recommended that changes be made that would "reconvert the FmHA so as to have them again serve the needs of small- and moderate-sized farmers, part-time farmers, and beginning farmers."

A Wisconsin dairy farmer agreed with criticisms of ". . . . the FmHA policy of making loans to large factory-type livestock and poultry producers. I believe these loans should be used strictly for family farmers."

Other recommendations were made. "Long-term low interest loans to beginning farmers are essential," according to an Ohio producer. He recommended a national effort modeled after Minnesota's program of loans for young farmers. Another panelist suggested that financing for agriculture should be sought in the future from within as well as outside the industry. For example, ways might be found to provide incentives for older farmers to sell to potential entrants.

Labor issues were mentioned by a few participants. Two fruit and vegetable producers emphasized that an adequate farm labor supply is essential to their operations. "Labor is becoming a number one concern," according to one Michigan farmer. "The Spanish-American migrant labor force seems to be our only salvation. Government regulations have almost eliminated these people. Migrant labor is a must for us to survive." Farmers who employ agricultural workers also called for an end to such requirements as payment of unemployment taxes on students. One witness suggested that workers should have to pay for their own worker's compensation insurance.

Values and Beliefs

A number of witnesses supported certain values associated with farming, including free enterprise, private ownership of property, stewardship of resources, the quality of rural living, the social usefulness of the family farm, and similar concepts. One contributor said we need to preserve rural communities, . . . that these communities depend on farming.

The head of an Indiana farm and land management company questioned the aims of the current

structure of agriculture project. "Can we assume that because these hearings are being held, that a judgment has been rendered that there is something fundamentally wrong with the American agricultural industry or the direction in which it is headed?" he asked. "What we should remember," according to this witness, is that the present free market structure has provided ".... the highest productivity levels in history."

The Illinois director of agriculture expressed some similar doubts: "The Federal Government's vision in discerning the structure and direction of agriculture has been incredibly poor of late. The really dangerous point, however, is that these agencies are now only too willing to begin to mold and manipulate agriculture to meet their highly imperfect perception of it. We never wanted Government to *run* agriculture. We wanted someone to champion our cause in the national arena and provide support in specific areas only as necessary."

This positive view of free enterprise was the most commonly expressed value at the Lafayette meeting. "This country," said a Michigan farmer, "was founded on a free enterprise system and the right to succeed or fail . . . to work hard and make a profit or just get by." Economic liberty is cherished, said an Indiana dairy farmer, and "we are proud of our freedom to make entrepreneurial decisions as to what we shall produce, how we shall produce it, how much we shall sell, and to whom we shall sell it."

According to a Wisconsin farmer, ".... many people who leave the farm do so because they will not accept the responsibility and the long hours for the low returns per hour associated with the business." But work and risk, said another Wisconsin producer, are part of the bargain: "The one thing that has not been mentioned here today is what the hell happened to the real American dream? Who told anybody, when this country was settled, 'I will guarantee you a profit over your return'?"

Tied to free enterprise was a belief in private property rights. "We oppose," said a Michigan Farm Bureau representative, "any Government action that infringes on an individual's right to own and manage private property. Any erosion of that right weakens all other rights guaranteed to individuals by the Constitution."

Private ownership was considered necessary for philosophical and political reasons as well. A State NFO president said, "if individual ownership is lost, we may well lose our democracy." Another witness linked production results to the motivation created by private ownership. "One of the things that has contributed to the record levels that we've had in production in this country is ownership of farmland," he said, adding that farmers do a "better job if they have a direct interest in the land itself."

A similar view was offered by another witness, who said that Thomas Jefferson's " . . . idea was that as many people as possible share in the ownership of the land, be bound to it not only by economic interests but by the investment of intensive work, family loyalty, and tradition, and by long-lived communities. But our Government and institutions apparently don't agree with Thomas Jefferson on that one."

An Indiana farmer argued that land, crops, and livestock are individually, not collectively owned, saying the individual farmer has both the responsibility and the rewards of ownership. "The policymakers in Washington often refer to the family farm as our land, our corn, our beans, and our cattle," he said. "It is not his land. It's my land. If he wants to call it his land, let him go out and buy it. Cattle. That really hurts me when he calls them ours. Until this bureaucrat, sitting in his Washington office, has picked up in his arms a wet, shivering new-born calf and while trying to coax the concerned mother to follow, carries it to shelter through a cold blowing snow, or has gone into an old cow to help bring out a calf that decided he wanted to be half grown when he faced the world . . . until then he doesn't understand what it takes to be a cattle farmer and he has no right to call this ours."

Others disagreed with this emphasis, pointing out that private ownership is transitory and there is a public obligation to conserve resources for future generations. "We're only stewards of the soil for as long as we use it," said a State Grange official. "We're owners as long as we live and then we pass it on to somebody else. Unless we can do a fine job of taking care of the land and keeping its production capacity up . . . we're not doing our job."

A few witnesses expressed concern about the kind of values inherent in larger farms and corporate agriculture. "Are we in America," asked a farm organization representative, "allowing or even promoting the ownership of the land into the hands of the few—repeating the mistakes of Nations that preceded us?" Another witness added, "That individual incentive that's involved in our traditional family farm concept is the backbone of agriculture. It is my candid opinion that if business is allowed to run rampant over agriculture, and tax incentives continue to favor corporate takeover of land, there will no longer be that individual incentive involved."

Mailed Comments

Fifty-four comments were mailed in for inclusion in the Lafayette hearing record. As was the case in several other hearings, the mailed material tended to differ slightly in emphasis from the oral testimony. Parity, farm income, and prices were a popular topic of discussion, but more frequently mentioned were taxation, farm size, land, corporate agriculture, and the role of Government.

Taxation: Over one-fourth of the correspondents mentioned the impact of taxes on agriculture. About half of these expressed concern about inheritance taxes. "My sister and I," said one writer, "will someday inherit nearly 1,000 acres of Indiana farmland, which has a present market value in excess of $2,000,000. To inherit this we must pay nearly $1,000,000. Where will this $1,000,000 come from? We will have to sell 50 percent of our land in order to get the other 50 percent. The ground which has been in our family for generations will be sold to 'outsiders' (most likely a corporation or conglomerate)."

Most of those mentioning inheritance and estate taxation agreed that it is a burden and should be eased. One, however, did not: "The future of the farm as we know it (is) in increased inheritance taxes to force some of the larger farms on the auction block to make more land available for sale," he reasoned. "The heirs of farmowners today are given a strong base to bid up the ever smaller number of farms being sold. Hence those unfortunate dreamers like me are being shut out of the market and we are rapidly becoming like those South American countries with very large farms and very poor people to work them."

Other tax issues were also raised. A young Illinois farmer recommended tax law changes to ". . . prevent outside interests from competing with those who actually make a decision to provide food and fiber for others." A Michigan dairy farmer said a "hobby" farmer with ". . . a good income from another occupation can afford to pay more for a farm when it will be used as a 'tax writeoff'." A Michigan priest who works on rural issues said a problem in his area is the "unjust taxation of agricultural land as if it is residential or commercial."

Farm size: More than one-fifth of those sending in comments mentioned farm size. Several expressed a preference for the small farm. "Is it too late," asked a writer from Ohio, "to preserve and restore free enterprise for the many in agriculture, rather than resign ourselves to . . .a system of free enterprise for only a few big farms in each community?"

The head of an Ohio farm organization said farm size should be restricted through graduated taxation. Others disagreed, favoring the larger operator. "The full-time farmer is a family farmer even though he may farm a lot of acres. . . ," said two Ohio farmers. "If the so-called 'big farmer' is not good for the country, and needs to be cut down to size, who is going to farm the land for the widows, retired farmers, factory workers who chose the job over farming, and men who don't have the health to farm? . . . Cheap food policies tend to make big farmers, because when the margin of profit gets low the farmer gets bigger, hoping to keep everything together by increasing volume."

Land: Land issues came up frequently in the mailed comments. Mentioned most often was loss of farmland to competing uses. "The growth of cities, then suburbs, highways, and associated cropland takeover must be deterred if crop production land is to be preserved," wrote one person. Other land-related complaints were that prices are excessive and ownership by aliens and other outside interests is a growing problem. A correspondent from Ohio recommended ". . . a discriminatory tax on all nonoperating owners sufficiently punitive to make farmland unattractive as an investment."

Corporate agriculture: Several letters mentioned the presence of nonfamily corporations in agricultural production. A few said there is no real corporate threat to family farming. "So far," said a writer from Illinois, "big business has been disappointed by its efforts in farming and in vertical integration." But there were other views. According to one Wisconsin person, "the big corporations are trying to push" the small farmers out of business. A few people recommended limits on corporate agriculture and on Federal farm credit eligibility for corporations.

Farm income and prices: About one-sixth of those sending in written comments mentioned farm income and prices. All felt that farmers need a better price—a better return on their investment. Most said producers need parity or cost of production plus a profit. "We support 100 percent of parity," said the president of the Michigan Farmers Union, "not just for the American family farmers, but for labor and agriculture to give all equal buying power."

Role of Government: Several comments dealt with Government and its programs. Most complained generally about Government interference and regulation. One Michigan farmer said no structural changes are needed, and went on to question the goals of the structure of agriculture project: "There can be no dispute or argument with American agricultural suc-

cess. Why then, given this agricultural efficiency and productivity, does the Government, one of the least effective and least productive segments of our society, presume that it can make improvements?"

Energy: A few mailed comments touched on energy, with some urging that gasohol production be given a high priority. One writer who was concerned about possible constraints on energy supplies, predicted that ". . . farm units will have to retrench in size as fossil fuels and chemical fertilizers decline in availability. My Amish-Mennonite farm friends in the long run are in a correct economic position."

Entry into agriculture: Several commented on the problems of entering agriculture. About one-half of these recommended loan programs to help young farmers get started. "I think that determination and ability or experience in farming should be a higher factor in loan determinations," said a part-time Michigan farmer. "I have met several farmers who are working off the farm, such as myself, who are afraid to go into full-time farming because they cannot get favorable financing."

Credit: Problems involving credit and capital were closely linked to entry issues, because entry barriers are often financial. However, some other credit issues were also mentioned. A few witnesses called for lower interest rates. One said the FmHA reacts to loan applications too slowly to be of much use in farm auctions.

Other issues mentioned in the mailed comments included marketing and transportation, research, labor, consumer concerns, farm chemicals, and crop insurance.

Panelists: Barbara Brookshire, Roachdale, Ind., farmer; Thomas Budd, Indianapolis, Ind., editor, Indiana Prairie Farmer magazine; Gary Clark, Morocco, Ind., farmer; Virgil L. Cline, Indianapolis, Ind., vice president, Indiana Farm Bureau; Harold Dodd, Springfield, Ill., president, Illinois Farmers Union; Donald E. Foltz, Clinton, Ind., farmer and banker; Keith Goldman, Richland, Ind., American Agriculture Movement; Phillip Hartke, Teutopolis, Ill., farmer; Sharon Hecker, West Lafayette, Ind., student president, Purdue University Agricultural Council; Claudine Jackson, Howell, Mich., Family Farm Coalition chairperson, Michigan Council of Churches; Robert Kessler, Louisville, Ill., Illinois National Farmers Organization; Dr. Don Paarlberg, West Lafayette, Ind., professor emeritus, Purdue University; Betty Roe, Maple, Wis., farmer; Gary Rohde, Madison Wis., Wisconsin Secretary of Agriculture; David Rosenberg, Cincinnati, Ohio, farmer; Woody Roth, Booneville, Ind., farmer; Jon Shafer, Cloverdale, Ohio, farmer; George Shane, Watervliet, Mich., president, Professional Fieldman's Association of Southwestern Michigan; Audrey Sickinger, Cato, Wis., Wisconsin Women for Agriculture; Russell Stauffer, Springfield, Ill., master, Illinois Grange; Harold B. Steele, Bloomington, Ill., president, Illinois Farm Bureau; Harold Wright, Indianapolis, Ind., Indiana Farmers Union.

Open Microphone: John D. Anderson, Maumee, Ohio, senior partner, family agribusiness; John N. Ash, Boonville, Ind., farmer; Thomas R. Boese, Shirley, Ind., Indiana Grain and Feed Association; Harold J. Burton, Leiters Ford, Ind., farmer, past president, National Hay Association; Pat Cohill, Comstock Park, Mich., American Agri-Women; Evelyn Cooper, Kent City, Mich., farmer; Kathleen Cusick, Loveland, Ohio, Rural Resources, Inc.; Fr. Donnelly J. Fitzpatrick, Galva, Ill., director, National Catholic Rural Life Conference; Dan Frazer, West Lafayette, Ind., former farmer; Eugene Gill, Wyoming, Ill., farmer; George C. Greenleaf, Worthington, Ohio, executive vice president, Ohio Grain and Feed Association; Wayne L. Heffley, Auburn, Ind., farmer; Martin J. Hoffman, Hebron, Ill., farmer; Joe Huber, Borden, Ind., farmer, president, Indiana Vegetable Growers Association; Jean Ibendahl, Tamaroa, Ill., farm wife and school teacher; Andrew Jackson, Howell, Mich., farmer; Robert W. Judd, Urbana, Ill., National Soybean Crop Improvement Council; George Kinder, Catlin, Ill., farm manager; Roy M. Kottman, Columbus, Ohio, dean of agriculture, Ohio State University; Richard E. Langenkamp, Saint Henry, Ohio, Cincinnati Archdiocese, National Catholic Rural Life; Pat Leimbach, Vermilion, Ohio, farm wife and farm columnist; Orrin Leimbach, Vermilion, Ohio, student; Nancy Matz, Lafayette, Ind., rural homemaker; Edmund Mesterharm, Indianapolis, Ind., Indiana Housing Center; Celia Miller, Coloma, Mich., farmer; C. V. Miller, Wolcott, Ind., retired engineer; Lee F. Moffett, Waynetown, Ind., farmer, director, Indiana Farmers Cooperative Association; DeVere J. Noakes, Litchfield, Mich., president, Michigan National Farmers Organization; Roy M. Peterson, Colfax, Ill., farmer; Ogden Phipps, Manteno, Ill., farmer; Mike Pridgeon, Montgomery, Mich., farmer, Michigan Farm Bureau; Lloyd Reeser, Weldon Ill., farmer, American Agriculture Movement; Irwin H. Reiss, Sullivan, Ind., president, Meadowlark Farms, Inc.; Ned M. Richards, Richland, Ind., farmer; Edwin L. Richman, La Crosse, Ind., farmer; Thomas E. Roney, McCordsville, Ind., farmer, president, Indiana Horticultural Society; Dennis Rosen, Emerald, Wis., farmer; Mildred Schultz, Coloma, Mich., farmer; Sharon Steffens, Grand Rapids, Mich., farmer, American Agri-Women; Douglas Taylor, Danube, Minn.; William Warner, Jr., Vickery, Ohio, farmer; Robert J. Webster, Danville, Ind., farmer; Marjorie Wendzel, Watervliet, Mich., farm wife, Women for Survival of Agriculture in Michigan; Roger W. Wessels, Fairbury, Ill., farmer; Connie Wick, Lafayette, Ind., coordinator, Wildcat Creek Federation; E. N. Wilson, Uniondale, Ind., farmer; Jean Wilson, Uniondale, Ind., farm wife; Nathan E. Wilson, Bluffton, Ind., farmer; Sylvia Wilson, Uniondale, Ind., farmer.

Written Comments: Nancy Barger, Lafayette, Ind.; Robert L. Brenneman, Springport, Ind.; Gordon F. Jameson, La Salle County Farm Bureau; F. R. Robinson, West Lafayette, Ind., Purdue University; James T. Thompson, Seymour, Ind., Thompson Dairy Co.; James E. Burch, Loogootee, Ind., consulting engineer; Eugene Henderson, Saginaw, Mich., Diocese of Saginaw; David Ring, Huntingburg, Ind., farmer.

Mailed Comments: Max M. Anglin, Warsaw, Ind., Dalton Foundries, Inc.; Wayne M. Archer, Rochester, Ill., farmer; Mr. and Mrs. C. William Bayliss, West Mansfield, Ohio, farmers; Lee Bock, Pulaski, Wis., farmer; David Bowlers, Pemberville, Ohio; J. Howard Brown, New Povis, Ind., farmer and teacher; Edna Clingan, Cedar Springs, Mich., farmer; Donna Cootware, Ralph, Mich., president, Michigan Farmers Union; S. E. Durcholz, Jasper, Ind., farmer and writer; Gerald Fite, Bethel, Ohio, farmer; Mary Ellen Frame, Menomonie, Wis., farmer; Philip F. French, Indianapolis, Ind., Indiana Farm Bureau Cooperative Association; Gibson Gray, Fairland, Ind., Gray's Certified Seeds; Harold D. Guither, Urbana, Ill., University of Illinois; Lorraine Hahn, Cambria, Wis.; David Hartman, Woodburn, Ind., farmer; Eugene and Helen

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Hays, Montpelier, Ohio, farmers; Loren E. Hiatl, Wilmington, Ohio; Carol Hilts, West Branch, Mich; Martin J. Hoffman, Hebron, Ill., Farmers for Action; Ralph Jackson, Lafayette, Ind., Greater Lafayette Chamber of Commerce; Michael Johnson, Brown City, Mich., farmer; Gregory M. Leigh, Avon, Ill.; Alvin M. Mavis, Springfield, Ill., Illinois Department of Agriculture; Ed McKaig, Jr., Logansport, Ind., farmer; Edmund Mesterharm, Bedford, Ind., Indiana Housing Center; Bev Moore, Coldwater, Mich., farmer; W. S. Moser, Champaign, Ill., farmer; Rev. Lawrence J. Nawrocki, Mt. Clemens, Mich., Rural Detroit; Melvin R. Parkman, Lansing, Mich.; Mr. & Mrs. Delbert Peterson, Barneveld, Wis.; Gerald L. Price, Kirklin, Ind., farmer; Tim Reeves, Salem, Ohio, editor; Laura Richardson, Paw Paw, Mich., farmer; Edwin L. Richman, La Crosse, Ind.; Thomas E. Roney, president, Indiana Horticultural Society; Lewis Saunders, Coldwater, Mich., American Agriculture Movement; Peter D. Scully, Dwight, Ill.; William See, Cincinnati, Ohio, Indiana-Kentucky-Ohio Anti-Hunger Coalition; J. J. Sheehan, Payne, Ohio; Udell L. Small, Hardinsburg, Ind.; Sharon Steffens, Grand Rapids, Mich., American Agri-Women; Virgil Thompson, Ottawa, Ohio, Ohio Farmers Union; Everett A. Trickey, Gettysburg, Pa.; Mrs. Edward Trefen, Viola, Wis.; Rev. Benjamin J. Urmston, S. J., Cincinnati, Ohio, Xavier University; Viola Weaver, Jasper, Ind.; Lindell Whitelock, Grantsbury, Ill., farmer; Marsha Wilcox, Lowell, Mich., farmer; Woodrow W. Williams, Columbus Grove, Ohio; Mrs. Ernest Wilson, Uniondale, Ind., farmer; Paul and Jennifer Wright, Tennyson, Ind., farmers; James F. Yeoman, Lafayette, Ind.; Phil Yoder, West Liberty, Ohio.

*U.S. GOVERNMENT PRINTING OFFICE : 1980 0-310-945/FHA-129

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